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# SCOPE OF SOVIET ACTIVITY IN THE UNITED STATES

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## HEARING

BEFORE THE

SUBCOMMITTEE TO INVESTIGATE THE  
ADMINISTRATION OF THE INTERNAL SECURITY  
ACT AND OTHER INTERNAL SECURITY LAWS

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

EIGHTY-FOURTH CONGRESS

SECOND SESSION

ON

SCOPE OF SOVIET ACTIVITY IN THE  
UNITED STATES

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MAY 15, 1956

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PART 42

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ACT AND OTHER INTERNAL SECURITY LAWS

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# SCOPE OF SOVIET ACTIVITY IN THE UNITED STATES

TUESDAY, MAY 15, 1956

UNITED STATES SENATE,  
SUBCOMMITTEE TO INVESTIGATE THE  
ADMINISTRATION OF THE INTERNAL SECURITY ACT AND  
OTHER INTERNAL SECURITY LAWS OF THE  
COMMITTEE ON THE JUDICIARY,  
*Washington, D. C.*

The subcommittee met, pursuant to recess at 11:35 o'clock a. m., in room 424, Senate Office Building, Senator William E. Jenner, presiding.

Present: Senator Jenner.

Also present: Robert Morris, chief counsel; William A. Rusher, administrative counsel; Benjamin Mandel, research director, and Robert McManus, research analyst.

Senator JENNER. The committee will come to order.

Mr. MORRIS. I would like the record to show that we are 45 minutes or more late for our hearings.

The reason is that we have had a longer executive session than we had originally planned. Mr. Coe has identified a statement in which he stated that he wished to drop the protection of the fifth amendment for certain facts. That on its face would be a reversal of what he originally said. For that reason, Senator, we spent, with Senator Eastland presiding, a great deal of time going over things we had not planned to go over in executive session testimony. I think, however, if we get into this, with a few questions here at the beginning, we will find that the status of Mr. Coe—his position—is not so different from what you would gather from first blush on this.

Senator JENNER. Mr. Coe, will you be sworn to testify?

Do you swear that the testimony you are to give before the subcommittee will be the truth, the whole truth, and nothing but the truth?

Mr. COE. I do.

Senator JENNER. Proceed Mr. Morris.

Mr. MORRIS. I would like to read from a certain portion of your statement here.

Mr. COE. May I read the statement into the record?

Senator JENNER. You have issued the statement to the press, have you not?

Mr. COE. Yes.

Senator JENNER. Then we don't want a repetition here. Go ahead, Mr. Morris.

Mr. MORRIS. You wish to state here that the testimony of Elizabeth Bentley before the Internal Security Committee about yourself is false. Is that right?

Mr. COE. Insofar as Miss Bentley charged me with espionage, which I believe is her testimony, which has been widely publicized over many years. It is completely false.

Mr. MORRIS. May we deal in specific allegations?

Mr. COE. As you know, I don't even know Miss Bentley.

Mr. MORRIS. May we deal in specific aspects of her testimony?

Did you know Nathan Gregory Silvermaster?

Mr. COE. I certainly did; may I explain how I knew him?

Mr. MORRIS. Did you know William Ludwig Ullmann?

Mr. COE. Yes, and I would like to explain how I knew him.

Mr. MORRIS. You may.

Mr. COE. Nathan Gregory Silvermaster and William Ludwig Ullmann I first met in the United States Government when I was employed there. They were employed there at the same time, one of them in an office of the Treasury Department where I was employed. Inevitably, I became acquainted with Mr. Ullmann. They were both economists, I was acquainted with them and numerous other economists.

I knew Ullmann. He was a New Dealer, a person of great loyalty to his country.

Mr. MORRIS. Were you a Communist during the time that you knew them?

Mr. COE. I knew Nathan Gregory Silvermaster, I think through Ullmann, and later in a Government office where we were jointly employed for a short time.

Mr. MORRIS. Now, were you a Communist during the period that you knew Silvermaster and Ullmann?

Mr. COE. I would like to preface my answer to that statement, Mr. Morris, with this. I told you in the statement I have given you that I want to waive the protection of the fifth amendment in order to clear up the allegations of espionage against White, myself, and others so far as I can possibly do so. You now ask me, and I hope you will ask a good many questions on that, and I hope that all the evidence of espionage or of any other improper activities of mine, which is in the possession of the committee, will be put into the record.

Regarding questions of politics—

Mr. MORRIS. We are not talking about politics, we are talking about membership in the Communist Party, Mr. Coe.

Mr. COE. Political affiliations, membership in the Communist Party or any party, membership in any of the various senses which this committee has used membership in the Communist Party to mean.

I say first, I object to being brought before a tribunal of this sort and compelled to talk about my political beliefs or affiliations, or those of anyone else.

Senator JENNER. The objection will be overruled. Will you answer the question, were you a member of the Communist Party at the time you knew Silvermaster and Ullmann?

Mr. COE. I believe, Senator, that since you have overruled the objection, I will have to rely on the protection of the first amendment, which I think prevents your inquiring into these matters.

Mr. MORRIS. It doesn't prevent us from inquiring into them. It is a privilege which an inquiry of—

Senator JENNER. The committee does not recognize your refusal to answer under the first amendment. This is not a tribunal. This is a duly constituted congressional committee, we are seeking information. Now, we ask that you answer the question.

Mr. COE. Mr. Chairman, since the committee doesn't recognize the first amendment in this context, I will avail myself of my privilege under the fifth amendment not to be a witness against myself.

Senator JENNER. The committee so recognizes your right.

Mr. COE. I may say for the convenience of the committee that this is a course which I shall follow generally on all political questions.

Mr. MORRIS. Did you pay Communist Party dues to Nathan Gregory Silvermaster or William Ullmann?

Mr. COE. I consider that the same question, Mr. Morris, in slightly a different form and, therefore, I give the same answer.

First, the objection which I assume is overruled; second, refusal under the first amendment, which you don't recognize; and, third, refusal under the fifth amendment, which you do recognize.

Senator JENNER. Your refusal under the fifth amendment will be recognized.

Mr. COE. Thank you, Senator.

Mr. MORRIS. Did you pay Communist Party dues to Silvermaster or Ullmann, which, to your knowledge, was transmitted to Elizabeth Bentley?

Mr. COE. Mr. Morris, though I seem to wish to conserve the committee's time, I don't perceive that repetition, as you are doing, of the same question, "Are you or were you a Communist?" in many forms, is doing that.

I have told you with what I thought was helpful spirit that that is one area of questions where I will defend myself in the way I have indicated. I thought you were inquiring into espionage. I am anxious to answer those questions.

Mr. MORRIS. Well, of course you know, Mr. Coe, that we have to deal in specifics. It may be that you think in terms of abstracts, but we would like to deal with concrete facts, and for that reason I have to ask you the specific questions that follow the nature of the evidence that is in our possession.

Miss Bentley has testified that you were a Communist and that you paid Communist Party dues and that she collected your dues, and that she didn't get it from you personally, but through Silvermaster and Ullmann.

With respect to the next group of questions—

Senator JENNER. Would you read the question again Miss Reporter? (The reporter read the questions back as follows:)

Did you pay Communist Party dues to Silvermaster or Ullmann, which, to your knowledge, was transmitted to Elizabeth Bentley?

Mr. COE. I want to answer the question, and I want to rely on the three protections.

Senator JENNER. Same record, Miss Reporter, as the other questions.

Mr. MORRIS. Did you ever transmit classified documents to Nathan Gregory Silvermaster in his home?

Mr. COE. I told you, Mr. Morris, that I never at any time engaged in espionage.

Senator JENNER. I don't believe that is a proper answer to the question. Did you deliver documents is the question.



Mr. COE. I think that would—I beg your pardon.

Mr. MORRIS. Did you ever transmit classified documents to Nathan Gregory Silvermaster in his home?

Mr. COE. The answer is "No."

Mr. MORRIS. Did you ever transmit classified documents to William Ludwig Ullmann in Silvermaster's home?

Mr. COE. Did I ever transmit to Ullmann—as a matter of record, Mr. MORRIS, Ullmann for certain periods of my Government career was under my supervision. I don't recall passing classified or even unclassified documents to him during that time. But commonsense tells me that I must have.

Senator JENNER. I don't believe that is a responsive answer. I think the question was phrased, "Did you deliver documents to Ullmann in Silvermaster's home?" Not in the course of your duties.

Mr. MORRIS. Give it to him in his home?

Mr. COE. I have no recollection of ever having done so.

Mr. MORRIS. Did you give classified documents to Nathan Gregory Silvermaster at any time?

Mr. COE. At any time?

Mr. MORRIS. Yes, or at any place, rather. I will take the specification "in his home" off.

Mr. COE. Well, I gave you the answer; no.

Mr. MORRIS. That was in his home?

Mr. COE. There was a brief period when Silvermaster and I were employed in the same agency. I have no recollection of giving him classified documents at that time. I doubt, so far as I recall the nature of the work, that I had very much to do with him. But it is conceivable.

Mr. MORRIS. Now, have you ever been in the basement of Silvermaster's home?

Mr. COE. I don't recall.

Mr. MORRIS. Is it your testimony that you were never in the basement of the Silvermaster home?

Mr. COE. I simply don't recall. I was in his home.

Mr. MORRIS. And you can't tell us whether or not you were in the basement of that place?

Mr. COE. The period when he and I were in the Government, concerning which Bentley has spoken, was—what, 15 years ago? I couldn't say positively that I was or wasn't in anybody's basement 15 years ago.

Is that responsive?

Mr. MORRIS. Yes.

Mr. COE. May I add something about classified documents?

Mr. MORRIS. Yes.

Mr. COE. As you know, I have been before a lot of these committees, and I notice that very often, questions seemed designed to suggest that there is evidence of wrongdoing. If you have any evidence that I passed classified documents improperly to these or any other people, I think you ought to confront me with it. If you haven't got it here, I certainly want you to put it into the record and give me a chance to talk about it. If you don't have any evidence, well, then, I must conclude that the purpose of your question is to throw a sinister cloud over something where the evidence is totally lacking.

Mr. MORRIS. Well, now, Mr. Coe, let me state this. In the first place, it is you who brought up this matter of reversing your past testimony.

Mr. COE. Yes.

Mr. MORRIS. Now you are taking a position in opposition that you didn't take in the executive session a half hour ago.

Mr. COE. Tell me about that. I don't know that that is a crime.

Mr. MORRIS. No; but we are trying to get at your position.

Miss Reporter, would you come into the next room with me and read back some of Mr. Coe's testimony in the executive session.

Mr. COE. I now recall, Judge Morris, the incident I think you refer to—or several.

Mr. MORRIS. There were two such instances.

Mr. COE. Or several, in which I was asked about the transfer or possible delivery of classified documents to one or another persons, improperly.

I think I declined to answer because generally, in my own mind, as I said, I want to do everything possible to clear up questions of espionage. No evidence was presented to me in executive session on these matters, and it seemed to me that I was within my rights to decline. The question was now asked about even having thought of changing. It seems to me that though I had the right to protect myself if I wanted to by claiming the fifth amendment on that, I also have the right to drop it and not protect myself, take certain risks, put myself in jeopardy as to various laws and consequences, and since in general I have already decided to do that, I answered your question, and I will be glad to answer other similar ones.

Mr. MORRIS. Thank you.

Now, is it your testimony that you never transmitted classified documents to Ullman or Silvermaster, knowing that they would be given to others who were not privy to holding them? Not eligible to hold them?

Mr. COE. Well, if you will amend that to say that I never passed classified documents to them illegally, without authority, or contrary to law, contrary to rules and regulations of the agencies in which I was working, then I believe—then my recollection is certainly that I never did.

Mr. MORRIS. Will you answer without the qualification that you put on it, Mr. Coe?

Mr. FRIEDMAN. I think he gave more than you asked for, Judge Morris.

Mr. MORRIS. Well, answer without the qualification.

Mr. COE. I don't believe I ever did. To the best of my recollection, I never did. I can't conceive that I ever did if the purpose was espionage or anything improper.

Mr. MORRIS. Will you give me an answer without a qualification?

Mr. COE. I have given you the answer. I don't mean by my second statement to qualify, but to add.

Mr. MORRIS. What is your answer?

Mr. COE. The answer is that I have no recollection of doing that whatsoever. And I don't believe I ever did.

Mr. MORRIS. Now, what classified documents have you transmitted to Silvermaster?

Mr. FRIEDMAN. That is an unfair question, Judge Morris.

Mr. MORRIS. Let me preface it by asking: have you transmitted any classified documents to Nathan Gregory Silvermaster?

Mr. COE. I have no recollection that I ever gave Gregory Silvermaster any classified documents whatsoever. There is a brief period of my Government employment where it is quite conceivable that something I wrote or my staff wrote was transmitted by my secretary's office or by me to his office, etc., in the regular line of work. That is the only sort of exception which I should think would be common-sense, and I hope your question is not designed to entrap in any way on the basis of this.

I passed classified documents in my Government capacity to lots of people. This whole case is built around the fact, or has been built up around the fact that I knew certain people whom I knew in my Government work. Some of them worked for me. Of course, we were related.

Mr. MORRIS. Do you have any knowledge that Ullmann duplicated documents in the basement of Silvermaster's home?

Mr. COE. Except for the testimony of Bentley, which I have read and consider incredible, I have no such knowledge.

Mr. MORRIS. So you have no independent knowledge that Ullmann duplicated any documents in the basement of the Silvermaster home?

Mr. COE. I certainly can't recall any.

Mr. MORRIS. Is it your testimony that you never gave Ullmann any document except in the course of your official dealings with him?

Mr. FRIEDMAN. Classified?

Mr. MORRIS. Classified documents except in the course of your official duties.

Mr. COE. That's correct.

Mr. MORRIS. And you never gave Ullmann any documents with the knowledge that he would transmit them to any unauthorized person?

Mr. COE. Certainly not.

Do you have any evidence, Judge Morris?

Mr. MORRIS. Because the responses of Mr. Coe differed from what they were in executive session testimony and from his previous appearance before this committee, it has been necessary to defer until this time the subject matter of the hearing that we planned today. Senator, it was certainly not the intention of the staff to go back over material that we had covered a year ago. That was necessitated by the insertion of Mr. Coe's statement into the record.<sup>1</sup>

Mr. Coe, what are you doing now?

Mr. COE. I am unemployed. I consider it the result of this and similar committees.

Mr. MORRIS. What was your last job?

Mr. COE. I think I have had no regular job since I left the International Monetary Fund.

Mr. MORRIS. That is in December 1952.

Mr. COE. Yes. I can recall a fee from some news agency, for writing a few pages. There may have been other instances. But aside from that, I have been unable to find work.

Mr. MORRIS. How have you been making a living since that time?

Mr. COE. I have supported myself on savings, largely. A few loans.

Mr. MORRIS. Are you a Communist now, Mr. Coe?

<sup>1</sup> Coe's statement appears at the conclusion of the testimony.



MR. COE. That is the same question that I informed you earlier on what my answer throughout this hearing would be. Do you want to keep repeating it?

MR. MORRIS. It has been hard to trace the consistency of your answers. What is your answer to that question? I haven't asked it before.

MR. COE. I will make it quite clear as I thought I did with regard to the half dozen or dozen other times it seemed to me you asked the question.

Though I shall talk quite freely and wish to talk on questions of espionage or any allegation of improper conduct of myself, and indeed of others, while I was a Government employee—

SENATOR JENNER. I believe the question now is are you a Communist now?

MR. COE. Yes. I understand. I don't want to answer any questions under compulsion about my political affiliations or about anybody else's political affiliations. Therefore, on the same grounds that I declined a moment ago, I decline now to answer.

SENATOR JENNER. That includes the fifth amendment?

MR. COE. That includes my right not to be a witness against myself.

SENATOR JENNER. It is the same record.

Then you consider the Communist Party affiliation as a political affiliation?

MR. COE. It is called a party.

SENATOR JENNER. Do you consider it a political party in the same sense that you consider a Republican or Democratic Party in this country?

MR. COE. May I consult?

SENATOR JENNER. You may consult.

MR. COE. Well, I suppose in order to assist the committee and the judge and to take a consistent course that, since that is a question of political belief, opinion, or may be interpreted so, I will decline for reasons previously given.

SENATOR JENNER. Same record, Miss Reporter.

MR. MORRIS. Mr. Chairman, the committee has received from the three farm organizations, the National Grange, the American Farm Bureau Federation, and the National Council of Farmer Cooperatives, a file of papers with the following letter of transmittal: This is dated May 4, 1956, sent to the Honorable James O. Eastland of the Senate Internal Security Subcommittee.

DEAR SENATOR EASTLAND: On the invitation of Robert Morris, chief counsel of the Senate Internal Security Subcommittee, we are forwarding a staff report containing information with respect to certain phases of United Nations operation which we believe merit study and investigation by your subcommittee. Each of the organizations which we represent has supported the United Nations and has sought to cooperate in the development of international programs to promote economic expansion and world peace. The attached information seems to provide the basis for concern as to the internal-security implications of some of the developments in this field; however, we do not have the authority or staff to make the sort of investigation necessary to establish the validity—or lack of validity—of this information. Consequently, we cannot determine what conclusions, if any, are justified.

We solicit the assistance of your subcommittee and its staff with regard to this matter.

That is signed, Herschel Newsom for the National Grange, Charles B. Shuman for the American Farm Bureau Federation, and Homer L. Brinkley for the National Council of Farmer Cooperatives.

Mr. COE. Is that to be the basis of questions directed to me?

Mr. MORRIS. We have just a few questions on that score.

Mr. COE. Could I see the letter, Judge Morris?

Mr. MORRIS. You may.

Mr. Chairman, I would like to take this out of order so that we can relieve Mr. Coe of his further appearance here on this subject.

Senator JENNER. Yes.

Mr. MORRIS. The portion of this file which bears on Mr. Coe reads as follows:

The New York Times of December 4, 1952, reported: "The International Monetary Fund announced today—December 3, 1952—the dismissal of its secretary, Frank Coe, who refused last Monday to tell Senate investigators in New York whether he was now or had ever been a Communist or subversive agent taking orders from Communists."

In the same story, the New York Times also said: "As secretary of the agency—International Monetary Fund—from its inception, Mr. Coe participated in all meetings of its Board of Governors or Directors."

It was in these meetings of the IMF Board of Governors that instructions were formulated on the position to be taken by the representative of the International Monetary Fund in negotiations which were held between March and June 1949 with U. N. and other specialized agencies on the subject of an expanded technical-assistance program. The position of the International Monetary Fund throughout these negotiations was to oppose establishment of a central fund under U. N. control to finance the proposed expanded program.

So firmly opposed was the International Monetary Fund to central financing—and the program control which inevitably follows—that when the central fund was established under U. N. administration, the IMF refused to participate in the U. N. expanded technical assistance program, beyond sending observers to meetings. It has never accepted money from the U. N. fund.

While it is certain that V. Frank Coe knew the position of his own agency regarding a central fund under U. N. control, records have been turned up which reveal that, as early as March 10, 1949, he circulated notes on a plan which parallels the central-fund operation of the present U. N. expanded technical assistance program—which was not adopted by U. N.'s Economic and Social Council until August 1949.

Throughout the period of negotiations among the international agencies on the expanded technical assistance proposal—March–May 1949—David Weintraub was the spokesman for U. N., and espoused the same plan as that circulated by V. Frank Coe. All of the specialized agencies strongly opposed this plan, and advocated a system of decentralized financing designed to strengthen and enlarge the technical-assistance programs which they were already conducting under the constitutional authority given them by their member governments to work in their respective technical fields.

Examination of Coe's notes will show how closely they resemble the U. N. central-fund plan which was eventually sponsored by the United States delegation to U. N.'s Economic and Social Council in July–August 1949, and finally adopted by ECOSOC over the continued opposition of the specialized agencies.

The following are excerpts from a paper circulated by V. Frank Coe on March 10, 1949, listing proposals on technical assistance program—

We are addressing ourselves to the memorandum in the form it is, because this is the memorandum we have received. I might point out that the three farm agencies, being semiofficial members of the FAO—that is, Food and Agriculture Organization, a specialized agency of the U. N.—can have access to documents which are not available to the congressional committee. They had access to the original of this document and they have made the notations that I have just read about it.

In other words, they said:

Examination of Coe's notes, copy attached, will show how closely they resemble the U. N. central-fund plan which was eventually sponsored by the United States delegation to U. N.'s Economic and Social Council in July-August, 1949.

Now I give you this paper, Mr. Coe, and I notice it says here:

The following are excerpts from a paper circulated by V. Frank Coe on March 10, 1949, listing proposals on technical assistance program.

Do you recall that document?

Mr. COE. No, sir; but I would like to explain with regard to this and other documents. I think it will be helpful to the committee.

As secretary of the fund, I must have circulated thousands of documents of the Board of Directors, the staff, the governors. That, in fact, was my job, or one of my jobs, to circulate documents, to see that they got to the people who had to consider them, who had to decide what to do about it. I had, of course, similar functions during my period of Government employment.

Certainly, during the period when I was in the fund, most, perhaps 90 percent, perhaps 99 percent, of the documents were documents not prepared by me, but by others. If they represented my views, it would have been a mere coincidence in many cases. If they didn't represent my views, I had no discretion whatsoever about circulating them. I was told to circulate proper documents given me by authorized persons. That is what I did.

Therefore, first, the fact that these organizations say, in the letter to you, that my name was attached to a note circulating these documents has no meaning whatsoever, and I should think that would have been apparent to any person with commonsense.

Mr. MORRIS. Mr. Coe, you have just said you cannot recall this particular document.

Mr. COE. May I complete my answer?

It is a long one but it will take care of the matter.

Mr. MORRIS. We don't want irrelevant answers. We are wondering if you can recall this particular document?

Mr. COE. No, sir; and my answer is, Why not?

This is now 7 years after. In the nature of the case, if you have a position where you circulate to scores of individuals hundreds and thousands of documents per year, it would be a miracle if you recalled any particular one, particularly one which is presented to you as an excerpt.

I have grave doubts—I should say I am sincerely disturbed that this kind of document is brought up and is presented here in excerpted and incomplete form. I am quite familiar with techniques which are made to suggest by irrelevant material. If the covering note were presented here, the status of this document would be clear. If the whole document were here, the status of this document would be clear.

May I interject to say that from a very brief perusal, I certainly would not think that it was any crime, or indeed anything of which I need be ashamed, to have circulated this document, even to have written it.

Mr. MORRIS. But the point is, Mr. Coe, we would like to know specifically whether (a) you wrote this document, or (b) whether you in fact circulated this document, and is it your answer that you can't recall?



Mr. COE. I cannot recall, but I think I can help the committee by saying that I have grave doubts that I wrote it. It appears to me from looking at it that it is not the kind of document that would have been in my competence or duties to write while I was in the fund.

It appears to me to be in the style of language which is quite different from my own.

Second, from something which is said at the very beginning of the document, it suggests to me—"Attached are some preliminary notes which might be laid before the Administrative Committee on Coordination at its meeting on the 18th of March."

Now, it is dangerous, I know, in view of some of the farfetched perjury trials that have been brought, to guess, but I would like to guess, in order to be helpful to the committee, that this, if it was ever circulated by me, was merely a document obtained from some other source, and circulated by me to inform the Board of Directors of the fund of what some other body, perhaps a staff or other body within the fund, perhaps some outside body, was proposing to bring up at a meeting where some of our people—that is the fund people—would be present and would have to take part in the discussion.

Mr. MORRIS. May I be specific? Have you any recollection whatever about it?

Mr. COE. I have no independent recollection whatever.

Mr. MORRIS. You are not denying that you circulated this document?

Mr. COE. No, sir.

Mr. MORRIS. But you are saying that you do not believe you wrote this document?

Mr. COE. I don't believe I did.

Mr. MORRIS. Have you any knowledge where this document came from?

Mr. COE. I have no knowledge where it came from.

Mr. MORRIS. Senator, the reason we asked Mr. Coe about this particular document is that another document turned up, and this does not relate to Mr. Coe. This is dated March 21, 1949. I might say that, in connection with this last document which was circulated by Mr. Coe according to the only evidence before this committee, was, according to this very same paper, an expression of a stand which was against the stand taken by the International Monetary Fund at that time.

I would like to point out that there is another document here, an office memorandum to divisional directors, from the Acting Director General, on the subject of point 4 considerations dated March 21, 1949.

The Acting Director General of Food Agriculture Organization at that time was Sir Herbert Broadley, I believe his name was.

In examining this document, Senator, which was distributed—and the distribution appears on this document—to 21 different sources, in the name of the Acting Director General—

Mr. COE. Of whom, may I ask?

Mr. MORRIS. The Acting Director General of Food Agriculture Organization—an 18-paragraph letter.

Now Senator, the staff has gone over this. I would like to point out that paragraph 3 of the memorandum circulated by Mr. Coe reads:

\* \* \* two continuing subcommittees of the Administrative Committee on Coordination may be required—an Operation Committee to supervise operations and

a suitable Finance Committee to attend to financial details. Both committees should consist of officials of U. N. and the specialized agencies of senior rank. The present working party might become the Operation Committee.

That paragraph is precisely the same, word for word, as paragraph 9 of the Sir Herbert Broadley recommendation.

Paragraph 4 of the Coe paper, that is a paper described here as having been circulated by Mr. Coe, was exactly word for word of paragraph 12 in the Sir Herbert Broadley document. Paragraph 5 is word for word the same as paragraph 13. Paragraph 6 is identical to paragraph 14. Paragraph 7 is exactly identical to paragraph 15. Paragraph 9 is identical to paragraph 16. Paragraph 10 is identical to paragraph 17.

Now, Mr. Coe, can you account in any way for how it is that the memorandum circulated by you on a subject in which you state a position directly contrary to the position of the International Monetary Fund appears almost in toto in a memorandum circulated by the Acting Director General of the Food Agriculture Organization, at a time when the Food Agriculture Organization had a position directly contrary to the position stated in your memorandum?

MR. COE. May I say with all politeness, first, that on the facts, or alleged facts as you have described them, you now seem to me to be misrepresenting them.

MR. MORRIS. You say I am misrepresenting them.

MR. COE. I say you seem.

MR. MORRIS. How is that?

MR. COE. I will now explain how.

First, I have yet to see the evidence from anybody. I have yet to see a direct statement by anybody that I even circulated this document. But it is quite conceivable that I did and I see no reason to become alarmed about it.

Two, you said something to the effect that the position I stated in this document—I sincerely doubt that this document contains any words whatsoever written by me representing any position of mine—again I have explained the reasons.

Now what you——

MR. MORRIS. Didn't that represent your position?

MR. COE. I don't know. I sincerely doubt that it does.

MR. MORRIS. Your testimony is that you can't recall this document, isn't it?

MR. COE. That's right. What all of this seems to me to add up to is this——

MR. MORRIS. I submit that Mr. Coe's observations at this time are completely irrelevant. If there are some facts you can add to this, Mr. Coe, you may——

MR. FRIEDMAN. I think he is trying to answer your questions in that formulation.

MR. MORRIS. All right.

MR. COE. I am saying this because I don't want any sinister inferences drawn by you, the public or this committee, from what seems to me to be a perfectly normal Government operation. I doubt that any sensible person could draw such sinister inference from the facts as you have described them.

MR. MORRIS. You see, there you go now.

Mr. COE. You asked me why or how I account for the correspondence.

My supposition, sir, is that somebody outside the fund, some group, or official body——

Mr. MORRIS. Is this a supposition, or do you know this, Mr. Coe?

Mr. COE. You asked me to account for the correspondence.

Mr. MORRIS. If you can.

Mr. COE. Now, since I told you, to begin with, that I had no recollection of it whatsoever, obviously anything that I say is derived from my knowledge of fund operations and my answer is designed to dispel any fears you may have that my circulation, if I did circulate this document, was the result of some sinister conspiracy.

The correspondence undoubtedly or presumably comes from the fact that both documents came from a common source. You read into the record a letter in which Broadley of the Food Agriculture Organization circulates something. I don't know whether he espouses the views of what he circulates, but he circulates it. You state, without showing the evidence, that I circulated something remarkably similar.

Mr. MORRIS. We have stated the evidence, Mr. Coe.

Mr. COE. Wouldn't the normal, reasonable conclusion be that somebody in his official capacity, some organization, sent me something, asked me to circulate it, that it was my duty to circulate it, that likewise this was done with Mr. Broadley and that that happened.

Now, sir, again in a spirit of helpfulness, I think I can tell you how you can get to the bottom of this very quickly and from witnesses who are in a position to know the facts and who are not under the cloud of charges by this committee of having been spies.

Mr. MORRIS. Mr. Chairman, in that connection, I suggest that we ask the International Monetary Fund if we could have the original of which this is a copy.

Senator JENNER. The staff will be so ordered.

Mr. MORRIS. The only evidence we have is the evidence transmitted to us by the three farm organizations, and they have access to evidence not available to the subcommittee.

Senator JENNER. Direct the staff to make that request.

Mr. COE. Judge Morris, you can probably get more information even than you are asking for, if you go through the channel that I understand was the one. There is a United States director for the fund. I believe his name is Frank Southard. He is a United States official. He has access to all their documents. He could further, in case it turns out that I circulated this thing, further inquire there of the head of the fund whether, at the time this happened, it was perfectly proper, indeed a duty of mine to circulate.

Senator JENNER. The staff will pursue as suggested.

Mr. MORRIS. I would like to call attention, before leaving that point, to the annotations made along the side, again by the three farm organizations, which shows that the recommendations of Mr. Coe's——

Mr. COE. Judge Morris. Please don't keep putting in the record something that says that these are my recommendations.

Mr. MORRIS. A paper which has been described as a paper circulated by Mr. Coe are, in fact, being practiced today, have been endorsed and are now in practice today with the various descriptions that appear in the marginal notes therein.



Senator JENNER. I suggest that the entire document referred to be incorporated into the record and be a part of the record.

Mr. MORRIS. For instance it says here opposite paragraph 3:

Now exists as Technical Assistance Board (TAB).

And it says opposite paragraph 4:

Now exists as Technical Assistance Committee (TAC).

Mr. COE. I can only observe that how this makes me out a spy is beyond me.

Mr. MORRIS. There is no question like that pending.

Senator JENNER. This will go into the record.

(The document referred to was marked "Exhibit No. 303" and reads as follows:

#### EXHIBIT No. 303

[Emphasis and numbered footnotes on this and following exhibits, together with all captions therein, were supplied by the representatives of the three farm organizations who furnished the material to the subcommittee.]

#### V. FRANK COE

The New York Times of December 4, 1952, reported: "The International Monetary Fund announced today (December 3, 1952) the dismissal of its secretary, Frank Coe, who refused last Monday to tell Senate investigators in New York whether he was now or had ever been a Communist or subversive agent taking orders from Communists."

In the same story, the New York Times also said: "As secretary of the agency (International Monetary Fund) from its inception, Mr. Coe participated in all meetings of its Board of Governors or Directors."

It was in these meetings of the IMF Board of Governors that instructions were formulated on the position to be taken by the representative of the International Monetary Fund in negotiations which were held between March and June 1949, with U. N. and other specialized agencies on the subject of an expanded technical assistance program. The position of the International Monetary Fund throughout these negotiations was to oppose establishment of a central fund under U. N. control to finance the proposed expanded program.

So firmly opposed was the International Monetary Fund to central financing (and the program control which inevitably follows) that when the central fund was established under U. N. administration, the IMF refused to participate in the U. N. expanded technical assistance program, beyond sending observers to meetings. It has never accepted money from the U. N. fund.

While it is certain that V. Frank Coe knew the position of his own agency regarding a central fund under U. N. control, records have been turned up which reveal that, as early as March 10, 1949, he circulated notes on a plan which parallels the central-fund operation of the present U. N. expanded technical assistance program (which was not adopted by U. N.'s Economic and Social Council until August 1949).

Throughout the period of negotiations among the international agencies on the expanded technical assistance proposal (March-May 1949), David Weintraub was the spokesman for U. N., and espoused the same plan as that circulated by V. Frank Coe. All of the specialized agencies strongly opposed this plan, and advocated a system of decentralized financing designed to strengthen and enlarge the technical assistance programs which they were already conducting under the constitutional authority given them by their member governments to work in their respective technical fields.

Examination of Coe's notes (copy attached) will show how closely they resemble the U. N. central-fund plan which was eventually sponsored by the United States delegation to U. N.'s Economic and Social Council in July-August 1949, and finally adopted by ECOSOC over the continued opposition of the specialized agencies.

The following are excerpts from a paper circulated by V. Frank Coe on March 10, 1949, listing proposals on technical assistance program (marginal notes are printed here as footnotes):

## "TECHNICAL COOPERATION TOWARDS ECONOMIC DEVELOPMENT

## "SUGGESTIONS FOR PROCEDURE

"7. Attached are some preliminary notes which might be laid before the Administrative Committee on Coordination at its meeting on 18 March when it discusses the whole question, or alternatively presented to the Working Party at its opening meeting.

"Preliminary Notes for Consideration by the Administrative Committee on Coordination or the Working Party

"3. \* \* \* two continuing Subcommittees of the Administrative Committee on Coordination may be required—an *Operation Committee to supervise operations and a suitable Finance Committee to attend to financial details.*<sup>1</sup> Both committees should consist of officials of U. N. and the Specialized Agencies of senior rank. The present Working Party might become the Operation Committee.

"4. It will probably be necessary to envisage a *Government Committee consisting of representatives of the Government which contribute*<sup>2</sup> substantial amounts to the Operational Fund. This Committee should report to the General Assembly through ECOSOC. It should not attempt to examine the details of particular schemes, but should adjudicate on broad programs submitted to it annually through the ACC from the Operations Committee. It should also receive and deliberate on annual reports from the same Committee on each year's progress. (An alternative to this suggestion would be for ACC to assume the functions proposed for the Government Committee proposed in paragraph c (c. ways of coordinating the planning and execution of the programme) and to report directly to ECOSOC.

"5. *The Operational Fund should be a single fund,*<sup>3</sup> even though it might comprise various currencies. The annual programs should be financed by overall grants, not particular sums from particular contributors for expenditures on particular projects in specified countries. The Operation Committee would make the appropriate sums available to the different bodies and Agencies for expenditure on the share of activity which each undertook in the specific or complementary projects.

"6. It would be contemplated that certain Governments would continue to make funds available on a bilateral basis for development activities in countries in which they had a special interest. These activities should be related to international activities operated through U. N. and the Specialized Agencies and effective liaison would have to be established *to ensure that the benefits accruing from bilateral activities were available for use or adaptation in international schemes.* It will be necessary for the Operational Committee to be informed of bilateral activities, as it will be necessary for the Committee to be aware of them in planning the U. N. development schemes.

"7. It will also be *necessary for the Operation Committee to be fully informed of the technical activities of the U. N. and Specialized Agencies in fields outside (but related to) those planned for financing from the Operational Fund.*<sup>4</sup> Such outside projects may have considerable bearing on the development schemes themselves.

"8. In framing schemes of development it will be desirable for the Operation Committee to prepare them on broad functional bases rather than in relation to the field of activity of each Agency.

"9. The Governing Bodies (or Annual Conferences) of the various Specialized Agencies will take note of the scope or nature of programs of development prepared by the Operation Committee and approved in principle by the Committee of Contributing Governments. Operation Committee will, however, be guided by general principles which the Conferences of the Specialized Agencies may lay down on the subject of development and the Conferences will necessarily be responsible for seeing that their Agencies carry out development projects as efficiently as possible.

"10. *In allocating sums to U. N. or Specialized Agencies for development projects, allowance would have to be made for the general increase in operational*

<sup>1</sup> Now exists as Technical Assistance Board (TAB).

<sup>2</sup> Now exists as Technical Assistance Committee (TAC).

<sup>3</sup> Now exists as U. N. "Special Account"—or Central Fund—for expanded technical assistance program.

<sup>4</sup> Bid to bring regular programs under supervision of central authority. Eventually accomplished by USSR res. in ECOSOC, July 1949.



and overhead costs which would be involved. Probably some 20% additional sums would be required to cover this. Such contingency could be covered by part of the Operational Fund being allocated to increase regular budgets and part for specific projects.<sup>5</sup>

"12. The report of the Working Party must embody specific projects to be undertaken in the first year or two. The whole problem of development is a long-term one, partly because projects will gradually expand to full effectiveness, and partly because continuing commitments must be entered into. Therefore a 10-year program should be envisaged. Such program must itself develop and change. It cannot be worked out in detail in advance. Its supervision and development will be a matter for Operation Committee.

"13. Initial steps of a 10-years' scheme will be the assessment of resources and the preparation by underdeveloped countries (with technical assistance) of forward plans and programs. It will be in the carrying out of these plans that technical assistance aid will be given and ultimately capital investment needed. \* \* \*

"14. Nevertheless, *even in the early period of assessment and planning, certain technical activities can be undertaken—eliminating human, animal, and crop diseases, introducing new strains of animals and crops.*<sup>6</sup> There are many fields of development where technical aid alone will be sufficient to produce results and little or no capital investment required.

"16. It will be necessary for the Working Party to present a budget and an allocation of financial expenditure on the various items for the first year. Thereafter this will be the responsibility of the Operation Committee and its Finance Committee. \* \* \*

"17. Administrative Committee on Coordination *must delegate to Operation Committee responsibility for recommending projects and priorities for implementation, including the rejection of unsuitable projects.*<sup>7</sup> Priorities will vary from time to time and from country to country. Flexibility of operation must be maintained. \* \* \*

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[Excerpt from article "Soviet Spy Rings Inside U. S. Government," U. S. News & World Report]

### *Virginius Frank Coe*

The Berle memorandum of 1939 contains the names of Frank Coe and his brother Charles (Bob) Coe. In 1948 Miss Bentley publicly brought forth in testimony that Frank Coe was a member of her espionage ring. Yet, when the subcommittee subpoenaed Coe in December 1952, he held the position of secretary of the international Monetary Fund at \$20,000 a year.<sup>8</sup>

Virginius Frank Coe first worked for the United States Government in 1934. Since then he has held positions in Federal Security Administration, the National Advisory Defense Council, Monetary Research Division of the Treasury Department (Assistant Director and Director), Joint War Production Committee of the United States and Canada (executive secretary), Board of Economic Warfare (assistant to the Executive Director), Foreign Economic Administration (Assistant Administrator). He was the technical secretary of the Bretton Woods Monetary Conference in 1944 when the articles of agreement were drafted setting up the International Monetary Fund. The International Monetary Fund handles assets of between \$7 and \$8 billion and it is a specialized agency of the United Nations.

Coe refused to answer, on the ground that the answers might incriminate him, all questions as to whether he was a Communist,<sup>9</sup> whether he had engaged in subversive activities, or whether he was presently a member of a Soviet espionage ring. He refused for the same reason to say whether he was a member of an espionage ring while technical secretary of the Bretton Woods Conference, whether he ever had had access to confidential Government information or security information, whether he had been associated with the Institute of Pacific Relations, or with individuals named on a long list of people associated with the organization. It was noted that he did answer questions as to his relationship

<sup>5</sup> Budget involvement of regular work of agencies through contribution from Special Technical Assistance Fund.

<sup>6</sup> Had been done by FAO for previous 3½ years.

<sup>7</sup> Now done by TAB executive chairman.

<sup>8</sup> Hearing before the Subcommittee on Activities of United States Citizens Employed by the United Nations, pp. 227-256.

<sup>9</sup> In 1948 he denied Communist Party membership.

with Jacob Viner, Milo Perkins, Leo Crowley, and Evar Rooth but refused to answer questions with respect to his relationship with Harry Dexter White, Alger Hiss, Philip C. Jessup, Solomon Adler, Lauchlin Currie, Michael Greenberg, Constantine Oumansky, and a long list of others. He testified as to how he got his first Government employment, but refused to say how he obtained his subsequent positions. Coe was dismissed by the International Monetary Fund a few days after his testimony on December 3, 1952.

MARCH 21, 1949.

#### OFFICE MEMORANDUM

To: Divisional Directors.

From: Acting Director-General [initialed HB 21/5]

Subject: Point 4 Considerations

At the meeting held at Lake Success on March 18 it was agreed to set up a working party to make recommendations regarding the ECOSOC resolution. The working party will meet formally at Lake Success on April 4. It will be preceded by informal discussions in Washington by those members of the working party who are able to attend.

I attach for the information of Directors a memorandum *which has been prepared in FAO*<sup>1</sup> setting out a number of considerations to be examined by the working party.

In the meantime, the memorandum on an operational program prepared in FAO will be revised by Mr. McDougall, Mr. Gove Hambidge, and Mr. Olsen in consultation with the members of the divisions who have made suggestions on the original draft document.

#### TECHNICAL COOPERATION TOWARD ECONOMIC DEVELOPMENT

##### SUGGESTIONS FOR PROCEDURE

1. The United States resolution calls upon the ACC to prepare a report. Such a report can only be prepared by a special working party on which the interested divisions of the U. N. and the specialized agencies primarily concerned are represented. Other international interests would probably be entitled to present their views to the working party and later express them on the ACC.

2. The working party will report to the ACC of which the Secretary-General of U. N. is chairman. It would be an advantage if the chairman of the working party is provided from one of the specialized agencies, or was possibly obtained from an independent source.

3. In that the Bank, Fund, FAO and the United States Government (with whom consultation will probably be necessary) are located in Washington, it would be advisable for the working party to operate in Washington, or at least start work in that city.

4. In that the working party will be concerned with issues of paramount importance, its membership should consist of senior officials of the U. N. and specialized agencies. The U. N. and each agency should each appoint two representatives—a senior official to deal with policy issues and one less senior to act in a secretarial capacity.

5. The senior members would meet from time to time to discuss and determine main issues. *The secretarial members would be in constant session and would constitute the secretariat of the working party.* They would prepare papers required for consideration by the senior members and would be responsible for assembling material required for the report. In this way the secretariat would not be provided by any one organization.

6. The work of the party would probably occupy 4 to 6 weeks. It should start work as soon as possible—not later than March 28. The senior members would participate for the opening sessions of 2 or 3 days and then meet frequently as required. The secretarial representatives from each organization would keep in close touch with their senior (policy) members.

#### PRELIMINARY NOTES FOR CONSIDERATION BY THE WORKING PARTY<sup>2</sup>

1. The report should be prefaced by an introduction outlining the scope of the problem, the nature of the development contemplated, its objectives and the

<sup>1</sup> See V. Frank Coe statement of March 10, 1949.

<sup>2</sup> Note similarity to V. Frank Coe statement circulated on March 10, 1949 (copy attached).

necessary internal conditions to insure that development measures are fully effective.

2. The working party must prepare an initial plan, with the necessary financial estimates for the first year, and also devise the appropriate machinery for allocating the available financial resources to the various parts of the program and for continuing supervision, development, and review of a long-term scheme.

3. In framing schemes of development it will be desirable for the working party to prepare them on broad functional bases rather than in relation to the field of activity of each agency. The same principle must be maintained in the operations of such continuing machinery as may be established.

4. In preparing a comprehensive program, the working party will require detailed plans from all agencies. FAO can cover food, agriculture, fisheries, forestry; WHO, health projects; ILO, questions of manpower and labor supply; UNESCO, educational projects. No agency covers the fields of industry and transport. These are matters in which the Bank, the Economic Division of U. N. and ITO (IC) are all concerned.

5. The report of the working party must embody specific projects to be undertaken in the first year or two. The whole problem of development is a long-term one, partly because projects will gradually expand to full effectiveness, and partly because continuing commitments must be entered into. Therefore a 10-year program should be envisaged. Such a program must itself develop and change. It cannot be worked out in detail in advance. Its supervision and development will be a matter for the continuing machinery.

6. The initial steps of a 10 years' scheme will be the assessment of resources and the preparation by underdeveloped countries (with technical assistance) of forward plans and programs. It will be in the carrying out of these plans that technical aid will be given and ultimately capital investment needed, as envisaged in paragraph (18).

7. Nevertheless, even in the early period of assessment and planning, certain technical activities can be undertaken—eliminating human, animal, and crop diseases, introducing new strains of animals and crops. There are many fields of development where technical aid alone will be sufficient to produce results and little or no capital investment required.\*

8. Early attention must be given to the provision and training of technicians. In this connection the enlistment of the active interest of the great universities and technical institutions would be of first-class importance. Fellowships and other methods of supplying new experts in many fields must be an early project.

9. Two continuing subcommittees of the ACC may be required—an Operations Committee to supervise operations and a suitable Finance Committee to attend to financial details. Both committees should consist of officials of U. N. and the Specialized Agencies of senior rank. The present working party might become the Operations Committee. The secretariat required for servicing the Operations Committee and finance committees of ACC should be provided jointly by the U. N. and participating Agencies, and should be located at the place most convenient for contact with the operating bodies (possibly Washington). The secretariat might be constituted by each agency or other participant providing two members—a senior policy member and a secretarial assistant.

10. It will be necessary for the working party to present a budget and an allocation of financial expenditure on the various items for the first year. Thereafter this will be the responsibility of the Operations Committee, and its Finance Committee. Expenditure during the early years will be less than during later years and it may be possible to allocate part of the appropriations for the early years to demonstrational undertakings and pilot plants for which commitments might be entered into during the first year or two, but expenditure not actually incurred until later.

11. ACC must delegate to Operations Committee responsibility for recommending projects and priorities for implementation, including the rejection of unsuitable projects. Priorities will vary from time to time and from country to country. Flexibility of operation must be maintained. Grants will be made to overall projects in which several agencies may be carrying out complementary activities—but each agency will be responsible for its aspect of the project and for the expenditure on that aspect. Once an agency has been charged with responsibility for some work there will be no detailed control or interference, except on the basis of recommendations made on the annual report. Each agency

\* These are from Coe statement of March 10, 1949.



will recruit and direct its own technical personnel, in all fields of work which are the responsibility of that agency.

12. It will probably be necessary to envisage a government committee consisting of representatives of the governments which contribute substantial amounts to the operational fund. This Committee might report to the General Assembly, perhaps through ECOSOC. It should not attempt to examine the details of particular schemes, but should adjudicate on broad programs submitted to it annually through the ACC from the Operations Committee. It should also receive and deliberate on annual reports from the same Committee on each year's progress. (An alternative to this suggestion would be for ACC to assume the functions proposed for the Government committee proposed in paragraph 3 and to report directly to ECOSOC.)

13. The operational fund should be a single fund, even though it might comprise various currencies. The annual programs should be financed by overall grants, not particular sums from particular contributors for expenditure on particular projects in specified countries. The Operations Committee would make the appropriate sums available to the different bodies and Agencies for expenditure on the share of activity which each undertook in the specific or complementary projects.

14. It would be contemplated that certain governments would continue to make funds available on a bilateral basis for development activities in countries in which they had a special interest. These activities should be related to international activities operated through U. N. and the Specialized Agencies and effective liaison would have to be established to ensure that the benefits accruing from bilateral activities were available for use or adaptation in international schemes. It will be necessary for the Operations Committee to be informed of bilateral activities, as it will be necessary for the Committee to be aware of them in planning the U. N. development schemes.

15. It will also be necessary for the Operations Committee to be fully informed of the technical activities of the U. N. and Specialized Agencies in fields outside (but related to) those planned for financing from the operational fund. Such projects may have considerable bearing on the development schemes themselves.

16. The governing bodies (or annual conferences) of the various Specialized Agencies will take note of the scope or nature of programs of development prepared by the Operations Committee and approved in principle by the Committee of Contributing Governments, if that is established. Operations Committee will, however, be guided by general principles which the conferences of the Specialized Agencies may lay down on the subject of development and the conferences will necessarily be responsible for seeing that their agencies carry out development projects as efficiently as possible.

17. In allocating sums to U. N. or Specialized Agencies for development projects, allowance would have to be made for the general increase in operational and overhead costs which would be involved. Probably some 20-percent additional sums would be required to cover this. Such a contingency could be covered by part of the operational fund being allocated to increase regular budgets and part for specific projects.

18. Ultimately the technical aid provided will lead to extended developments for which capital investment will be required. In planning development projects regard should therefore be had to resources available from:

- i. The special operational fund,
- ii. The resources of the International Bank,
- iii. Capital available from Governments or private sources.

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[Copy of an interoffice memorandum sent by an official of an international organization to the officer who was representing still another international organization in negotiations then in progress on establishing the U. N. expanded technical assistance program.]

APRIL 5, 1949.

To: ———.

From: ———.

Subject: Point 4—United States position and central budget.

I had lunch yesterday with ———, of the State Department, for the purpose of emphasizing our views on point 4 organization, particularly with regard to financing.

After arguing in favor of a central budget for most of the time, \_\_\_\_\_ finally said to me, in effect, "You are beating a dead horse, *the United States will not accept a central budget for three reasons:*

(1) *There is a general distrust of some of the U. N. personalities involved, particularly Weintraub.*

(2) *The pressure from those United States Government departments having direct relationships with certain Specialized Agencies (Agriculture—FAO, Public Health—WHO, CAA—ICAO, Treasury—Bank and Fund) will tend to counterbalance the single budget ideas in State and Bureau of the Budget.*

(3) *There is a growing distrust of the idea of setting up a budget to which the United States will contribute 60 to 70 percent and which will control activities indistinguishable in general from those of agencies to which the United States contributes only 30 to 40 percent.*

This argument is, to me at least, a new one, but might well be borne in mind in connection with organizing future discussions on this subject.

Mr. MORRIS. I would like to put into the record, too, a paper from the farm organizations, speaking with the authority that is in the covering letter, a paper which shows the position of the Communist nations on centralization of technical assistance authority in the United Nations.

I will just sketch this out, Senator. The thing is a full paper, running approximately 20 or 30 pages.

From ECOSOC document, the summary record of the 57th meeting: Mr. Rasadin (Union of Soviet Socialist Republics) recalled and stressed his Government's attitude toward the use of the technical assistance funds. The special fund, established by contributions from member states, should be used directly by the United Nations and not through the specialized agencies.

From records of the 9th Session of the Economic and Social Council, July-August 1949—on agenda item of proposed expanded technical assistance program:

Mr. KATZ-SUCHY (Poland): The (U. N. Economic and Social) Council should assume direct responsibility for working out the plans, and for formulating the policy and coordinating the activities of the regional commissions and specialized agencies active in the field of economic development and technical assistance \* \* \* the (Economic and Social) Council itself, or a special body set up by it, should determine priority needs in development schemes. There should be a central fund under supervision of the Council, since any other method would encourage the introduction of unhealthy political factors.

There are in that paper several other indications, in fact many other indications, that the position taken in the paper circulated by Mr. Coe, which again was reflected in the paper circulated by Sir Herbert Broadley, that that position was identical to the position of the Union of Soviet Socialist Republics for the Technical Assistance Committee and the attitude of Mr. Katz-Suchy of Poland.

Senator JENNER. The entire document will go into the record and become a part of the official record for this committee.

Mr. MORRIS. Before putting it into the record, I would like to point out that there is a notation here that at this time, earlier and up to this time—third page:

The most complete picture of what the United States had in mind in 1943 appears in President Roosevelt's speech at the close of the Food and Agriculture Conference (June 7, 1943).

It should be noted that, in the above presidential statement, there is no inference that the political problem would call for a centralized or supervisory position in the future structure of international relationships. In fact, the statement is clear that political relationships are equally important (and interdependent) with other problems facing nations in economic and social fields.

There is in that paper, too, a statement of Willard L. Thorp, United States representative in the Economic and Social Council, Ninth Ses-

sion, Geneva, July 21, 1949, on the proposed expanded technical assistance program. That is the time subsequent to the circularization of this paper. There is a statement of our position, which I will read.

There are several different possible methods of financing the programs. They are closely related to the manner in which the programs are themselves determined. If there were to be some single agency, either the United Nations or a new agency, which was to make program decisions from time to time and allocate funds to the appropriate agencies, then a single fund would presumably be established. If, at the other extreme, the specialized agencies were to have complete responsibility in determining their programs, other than mutual consultation, completely separate budgets would be the proper form of financing.

The method of developing the programs which I have suggested provides for a determination of allocations of various levels of contributions through review of ECOSOC (the U. N.'s Economic and Social Council) of the proposals of the participating agencies, and subsequent approval by the General Assembly \* \* \*. If the ECOSOC should adopt the programming procedure which I have suggested, then the appropriate procedure for financing would need to be somewhat different from that suggested in the Secretary-General's report (which called for decentralized financing).

That statement seems to indicate, Senator, that our position was between what he describes as two extremes. I would like that whole thing to go into the record.

Senator JENNER. It will go in and become part of the record.

(The document referred to was marked "Exhibit No. 304" and is as follows:)

#### EXHIBIT No. 304

#### *POSITION OF COMMUNIST NATIONS ON CENTRALIZATION OF TECHNICAL ASSISTANCE AUTHORITY IN THE U. N.*

From ECOSOC document E/TAC/SR.57—December 9, 1953—16th Session, Technical Assistance Committee—Summary Record of the 57th Meeting:

"Mr. Rassadin (Union of Soviet Socialist Republics) recalled and stressed his Government's attitude towards the use of the (technical assistance) funds. The Special Fund, established by contributions from member states, should be used directly by the United Nations and not through the specialized agencies."

From records of the 9th Session of the Economic and Social Council, July—August 1949—on agenda item of proposed expanded technical assistance program:

"Mr. KATZ-SUCHY (Poland). The (U. N. Economic and Social) Council should assume direct responsibility for working out the plans, and for formulating the policy and co-ordinating the activities of the regional commissions and specialized agencies active in the field of economic development and technical assistance \* \* \* the (Economic and Social Council itself, or a special body set up by it, should determine priority needs in development schemes. There should be a central fund under supervision of the Council, since any other method would encourage the introduction of unhealthy political factors."

#### *ORIGINAL UNITED STATES POSITION ON CENTRALIZATION OF ECONOMIC AND SOCIAL AFFAIRS IN THE UNITED NATIONS*

#### UNITED STATES FAVORED SPECIALIZED AGENCIES

By the time of the Moscow Declaration, however, United States thinking was becoming clear in the matter of creating a series of specialized international organizations to deal with postwar problems.

A 44-nation conference had been sponsored by the United States 6 months before the 1943 Moscow meeting, to explore means of continuing the collaboration of the wartime allies in food and agriculture. Under United States leadership, the conference had recommended that a permanent international organization be established to work in these fields.



An Interim Commission on Food and Agriculture was formed in Washington, D. C., to draft a constitution and lay out the structure for the future Food and Agriculture Organization (FAO). This body had been at work for more than 3 months when the Big Four meeting in Moscow announced the intention to create an organization "for the maintenance of international peace and security."

#### OTHER ORGANIZATIONS PLANNED

There is ample evidence that the United States Government expected other international conferences to be held, similar to the one on food and agriculture, and aimed at establishing permanent international organizations to work in other technical (or specialized) fields. For example, the invitation sent by the United States to ask governments to attend the Conference on Food and Agriculture (dated March 30, 1943) opens with the statement:

"The Government of the United States of America is of the opinion that it is desirable now for the United Nations and those nations which are associated with them in this war to begin joint consideration of the basic economic problems with which they and the world will be confronted after complete military victory shall have been attained. Accordingly, and as a first step in this direction, the Government of the United States proposes to convene \* \* \* a conference on food and other essential agricultural products, and hereby invites \* \* \*"

President Roosevelt, in his opening message to the delegates of the Food and Agriculture Conference (May 17, 1943), also said:

"In this and other United Nations conferences, we shall be extending our collaboration from war problems into important new fields \* \* \*."

Judge Marvin Jones, United States War Food Administrator and Chairman of the Food and Agriculture Conference, said in his opening address (May 18, 1943):

"I greet and welcome you to this the first conference of the United Nations and Associated Nations \* \* \* reflects a genuine desire on the part of all free peoples for a better understanding of our common problems and a united approach to their solution. \* \* \* This conference has rightfully been referred to as a forerunner of other conferences which unquestionably will have a part in shaping the postwar world \* \* \*."

#### WHAT UNITED STATES HAD IN MIND IN 1943

The most complete picture of what the United States had in mind in 1943 appears in President Roosevelt's speech at the close of the Food and Agriculture Conference (June 7, 1943):

"\* \* \* our goal in this field cannot be attained without forward action in other fields as well. Increased food production must be accompanied by increased industrial production and by increased purchasing power. There must be measures for dealing with trade barriers, international exchange stability and international investment. The better use of natural and human resources must be assured to improve the living standard; and, may I add, the better use of these resources without exploitation on the part of any nation. Many of these questions lie outside the scope of the work you have undertaken, but their solution is nonetheless essential to its success. They require, and shall receive, our united attention.

"In the political field, these relationships are equally important. And they work both ways. A sound world agricultural program will depend upon world political security, while that security will in turn be greatly strengthened if each country can be assured of the food it needs. Freedom from want and freedom from fear go hand in hand."

It should be noted that in the above Presidential statement there is no inference that the political problem would call for a centralized or supervisory position in the future structure of international relationships. In fact, the statement is clear that political relationships are equally important (and interdependent) with other problems facing nations in economic and social fields.

#### RUSSIAN OPPOSITION CAME LATER

Russian opposition to United States ideas did not crystallize until some months after the Moscow Declaration, when the full import of what was proposed began to be clear to them from the constitution which was evolving in the Interim Commission of FAO. Then, they objected vigorously to any arrangement which

would permit technical ministries of governments to work with each other directly.

The Russians insisted that all relationships among governments must be under strict political control, and they tried to prevail upon other governments represented in the FAO Interim Commission to agree to place all of the technical organizations then being planned under the supervision of an international political authority.

The extent to which the United States had adopted the separate-agency idea is indicated by the fact that prior to Dumbarton Oaks, the United States Government had initiated conferences to consider setting up autonomous international organizations in seven different fields, as follows:

May 18-June 3, 1943: Food and Agriculture—44 nations met at Hot Springs, Va.

October 30, 1943: Maintenance of International Peace and Security—Big Four (U. S. A., U. K., U. S. S. R., and China) met at Moscow.

November 9, 1943: Aid and Relief to Liberated Areas—44 nations met in Washington, D. C., to sign UNRRA Agreement.

April 19, 1944: Education—Conference of Allied Ministers of Education and a United States Education Delegation accepted a draft constitution to be submitted to governments for a permanent organization.

April 20-May 12, 1944: Labor—40 nations met in 26th session of the International Labor Conference, at Philadelphia, to adopt "Philadelphia Charter," declaring international responsibilities for attention to postwar labor problems.

July 1-22, 1944: Stabilization of currencies—loans for rehabilitation or industrialization—44 nations met at Bretton Woods, N. H., to draw up articles of agreement for International Monetary Fund and International Bank.

As soon as Alger Hiss attained a position where he could influence State Department policies regarding international organizations, he moved rapidly to neutralize the results of the international conferences which had been held before he \* \* \* (Remainder of paragraph not furnished.)

#### *UNITED STATES POSITION ON CENTRALIZATION OF AUTHORITY IN U. N. WHEN EXPANDED TECHNICAL ASSISTANCE PROGRAM WAS BEING ESTABLISHED*

Excerpts from the statement of Willard L. Thorp, United States Representative in Economic and Social Council, ninth session, Geneva, July 21, 1949, on the proposed expanded technical assistance program:

"\* \* \* The United States suggests that this Council (the U. N. Economic and Social Council) should determine the basic elements in a balanced program for recommendation in the General Assembly \* \* \* The Council should judge the program put forward in the report (from the specialized agencies) on the basis of their contribution to effective economic development. It should determine in a \$15 million program, for example, how much it is prepared to recommend for agriculture, how much for health, how much for education \* \* \*

"\* \* \* the nature of the program, its priorities and emphasis, would be clearly formulated at this meeting (of ECOSOC) \* \* \*

"The second problem relates to the method of establishing and collecting contributions for this program.

"The Secretary-General's report (prepared by the specialized agencies and U. N. in a joint working party) presents the consensus among the participating agencies that each agency would approach its membership separately, asking for sufficient funds in a supplemental budget to undertake their technical assistance activities \* \* \*

"There are several different possible methods of financing the programs. They are closely related to the manner in which the programs are themselves determined. If there were to be some single agency, either the United Nations or a new agency, which was to make program decisions from time to time and allocate funds to the appropriate agencies, then a single fund would presumably be established. If, at the other extreme, the specialized agencies were to have complete responsibility in determining their programs, other than mutual consultation, completely separate budgets would be the proper form of financing.

"The method of developing the programs which I have suggested provides for a determination of allocations of various levels of contributions through review by ECOSOC (the U. N.'s Economic and Social Council) of the proposals of the participating agencies, and subsequent approval by the General Assembly \* \* \* If the ECOSOC should adopt the programming procedure which I have suggested,



then the appropriate procedure for financing would need to be somewhat different from that suggested in the Secretary-General's report" (which called for decentralized financing).

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*THE SPECIALIZED AGENCIES' POSITION ON CENTRALIZATION OF  
TECHNICAL ASSISTANCE AUTHORITY IN U. N.*

From the working party of the United Nations and specialized agencies on proposals for an expanded technical assistance program—submitted to the Economic and Social Council, May 20, 1949:

"CHAPTER 6—FINANCE

"(1) Each organization, which considered it necessary, would establish a special budget for technical assistance for economic development and would invite its member governments to make contributions to this budget over and above their contributions to its normal budget."

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*U. N.'S POSITION ON CENTRALIZATION OF AUTHORITY OVER  
EXPANDED TECHNICAL ASSISTANCE PROGRAM*

[Excerpt from article, "Technical Assistance for Economic Development—Outline of New Program," in United Nations Bulletin, June 15, 1949]

\* \* \* \* \*

In connection with the financing of the expanded cooperative program, various methods were examined and preferences for different methods expressed.

*It was—and remains—the view of the Secretary-General that in the interest of coordinated action the most appropriate way of financing the program would be through the establishment of a single common fund into which all special contributions from governments would be paid and out of which allocations would be made to the several international organizations to meet, subject to such broad policies as might be laid down by the Economic and Social Council and the General Assembly, the varying needs of governments for technical assistance as they arose.* The majority of his colleagues from the specialized agencies were not able to subscribe to this position. They and he felt strongly, however, that the Council would wish that, in the preparation of the report requested from him, every effort should be made to reach agreed proposals. Accordingly agreement was reached on the following compromise:

Each specialized agency, which considered it necessary, would establish a special budget for technical assistance for economic development and would invite its member governments to make contributions to this budget over and above their contributions to its normal budget.

As for the United Nations, its special technical assistance budget would be in two parts, covering respectively (i) a program of technical assistance to be carried out by the United Nations itself; and (ii) a supplementary fund to be used by the Secretary-General in consultation with the Administrative Committee on Coordination to finance technical assistance projects to be carried out jointly by the participating organizations, and to supplement the technical assistance budgets of these organizations when additional funds are required to facilitate the execution of essential projects.

In discussing the proposed program of technical assistance (9th Session of the Economic and Social Council, July–August 1949).

*Mr. Katz-Suchy, of Poland, said:*

*"The (U. N. Economic and Social) Council should assume direct responsibility for working out the plans, and for formulating the policy and coordinating the activities of the regional commissions and specialized agencies active in the field of economic development and technical assistance \* \* \* the (Economic and Social) Council itself, or a special body set up by it, should determine priority needs in development schemes. There should be a central fund under the supervision of the Council, since any other method would encourage the introduction of unhealthy political factors."*—U. N. Bulletin, September 1, 1949.

Mr. COE. Since you have agreed to place this long document, which I have never seen, into the record of my hearing, I must presume or

can anticipate that it is designed not to enhance my reputation in some way and I would like to object to the procedure for the following reasons.

Mr. MORRIS. Mr. Coe—

Mr. COE. May I finish my objection, please, sir? I listened while you read a long document. You asked me no questions about it.

Mr. MORRIS. There is no question now about it. I have listened to you, sir, time and time again, that we have been imputing to you some particular activity. I would like the record to show that as far as I am concerned there has been no imputation whatever. I think whatever inferences have been drawn by anybody has been as the result of your own behavior before this committee, Mr. Coe, and don't think anybody in this committee or otherwise has made accusations against you.

Mr. COE. I think you called me a spy publicly and circulated documents all over the Nation about me. It was circulated as a document of Republican campaign literature. So I think my fears of inferences are justified.

I would like to say that I feel I am being smeared here. It is being said or implied—an unaware reader might get the impression that Coe circulated a document once—even though the evidence isn't here that I did—advocating the channeling of aid through the United Nations. Katz-Suchy, it said, advocated that. He is a Communist. Coe is an alleged spy. Many reputable people, as you know, are today advocating that. That report is an implication that the channeling of aid through the United Nations is some peculiar Communist plot.

I wish to state in the record here that the evidence for that, so far as it concerns me, seems to be totally nonexistent.

Mr. MORRIS. I would like here to introduce the next paper, again from the source described, which reads in part:

In the middle of 1952, the Technical Assistance Committee (TAC) reviewed the methods of operations of the TAB and recommended to the ECOSOC a number of changes in the basic resolution (establishing the U. N. Expanded Assistance Program—222 (IX)). The Economic and Social Council at its 14th session accepted these changes, which provided for the appointment of an Executive Chairman and a modification in the function and responsibilities of the Board. The Executive Chairman was given the task of reviewing all program proposals, either preliminary or final, with a view to developing balanced country programs, and he was to make such recommendations to the Board on all programs as he saw it. The Chairman was also to exercise continuous supervision of the program, and to ensure that all the Board's activities were adequately coordinated. And finally, special emphasis was placed on the role of the Resident Representatives.

Now, according to the papers presented to the committee for our scrutiny and adjudication, there is a notation here that David Weintraub was slated to get this job, but resigned under fire of Senate Internal Security Subcommittee before assuming it. David Owen later took it.

Do you have any knowledge whether David Weintraub was to assume that position in 1952, Mr. Coe?

Mr. COE. I certainly do not.

In 1952? I have no recollection of the matter whatsoever.

Mr. FRIEDMAN. May I address the chairman? There are some documents being put into the record and copies being given to the press. But apparently there is no copy for me.

Mr. MORRIS. They don't relate directly to the witness here.

Mr. FRIEDMAN. It is part of his hearing and I think I should have them.

Mr. MORRIS. It is not his hearing. It is an analysis to find if there is anything to support a conclusion on the basis of transmittal of these papers from the three farm organizations, representing as they do, official documents. Mr. Coe was one of the witnesses and where they are related to him, I think you have the papers.

Mr. FRIEDMAN. Questions are being put to him with regard to all the documents. Is there any real objection to my having them?

Mr. MORRIS. No, there is not.

Senator JENNER. You may have them.

Mr. MORRIS. This says:

On January 8, 1947, a meeting was called at U. N. Headquarters by David Weintraub, Director of the Division of Economic Stability and Development, Department of Economic Affairs, U. N.

Now, it says here, in the third paragraph—this is now document No. 5:

A major part of the discussion centered around a draft paper circulated by Mr. Weintraub. The principal section is quoted below.

That speaks for itself, Senator.

Then again there is a reference to a letter—

dated January 10, 1947, from David Weintraub to participants in the meeting which he called on January 8, 1947, to discuss steps to be taken by the U. N. Secretariat toward attainment of "balanced" economic development, including provision of technical assistance.

Although, as I told you at the meeting, this statement is not construed by us as necessarily reflecting the view of any of the agencies represented at the meeting, it will be used by the U. N. Secretariat as a guide in our own work.

This whole paper bears on the activity of David Weintraub in initiating and supporting the development of this particular program.

Senator JENNER. It will go into the record and become a part of the record.

(The document referred to was marked "Exhibit No. 305" and is as follows:

#### EXHIBIT No. 305

#### DAVID WEINTRAUB AND U. N. EXPANDED TECHNICAL ASSISTANCE FUND (CENTRAL FUND)

#### DAVID WEINTRAUB

During the planning stages of the U. N. expanded technical assistance program (ETAP), David Weintraub was the spokesman for U. N. in its uncompromising drive to obtain centralized appropriation and budget, as well as centralized control by U. N. of the program.

Highlights of David Weintraub's record:

Born in Kozlow, Poland, 1904, in territory now western Ukraine. Came to the United States at the age of 17 years, and was naturalized when he was 22 years old.

The United States Justice Department reported that there had been 43 derogatory FBI reports on Mr. Weintraub between January 31, 1945, and November 12, 1952. (New York Times, January 2 and January 7, 1953.)

During the period when the derogatory reports were being given to the Department of State, David Weintraub held the following positions:

Chief, UNRRA Committee on Supplies, 1945-46.

Deputy Director-General of UNRRA, 1946.

Director, Division of Economic Stability and Development, U. N. Department of Economic Affairs, 1946 to January 6, 1953. (Resigned as a result of investigation by Senate Internal Security Subcommittee.)



Between March and June, 1949, David Weintraub and his staff in U. N.'s Division of Economic Stability and Development (which included eight others later dismissed under United States security fire) prepared the U. N. position papers and laid the groundwork for establishment of central financing and U. N. control of programs in the expanded technical assistance program.

Despite strong objections by all of the specialized agencies to central financing, including prior action by governing bodies of four of them (WHO, ILO, UNESCO, and FAO) approving a plan calling for decentralized financing, the United States delegation to U. N.'s ECOSOC led the fight to establish the financial system espoused by David Weintraub—namely, a central fund under U. N. control.

In April 1950, the State Department made an adverse report on David Weintraub to the United Nations (New York Times, January 2, 1953.)

During the summer of 1952, the United States delegation to U. N.'s Economic and Social Council (ECOSOC) sponsored changes in the organization of the Technical Assistant Board (which is composed of representatives of the several international organizations which participate in the expanded technical assistance program) which provided for the appointment of an executive chairman, who was "given the task of reviewing all program proposals, either preliminary or final, with a view to development of balanced country programs, and he was to make such recommendations to the (Technical Assistance) Board as he saw fit. The Chairman was also to exercise continuous supervision of the program \* \* \*."

It was widely rumored among the secretariats of the several international agencies that David Weintraub was slated to become the Executive Chairman of the Technical Assistant Board (TAB) when the United States delegation had succeeded in getting approval of the U. N. governments in ECOSOC for the post. (New York Times, May 25, 1952: "Mr. Weintraub is a leading candidate for a high United Nations post, but, it was said, his selection has been blocked for the time being as a result of the grand jury investigation.")

On January 6, 1953, David Weintraub resigned from the secretariat of U. N. as a result of publicity which followed the Senate Internal Security Subcommittee inquiry into Communist infiltration of U. N. (The New York Times of January 7, 1953, said: "Mr. Weintraub was largely responsible for a series of United Nations reports on world economic conditions and also was closely associated with the United Nations program of technical assistance for underdeveloped countries.")

#### THE MEN BEHIND THE U. N. CENTRAL FUND

"Technical assistance is probably one of the most important subdivisions of the U. N. right now. They have asked that the United States contribute many millions of dollars to the technical assistance program so that they will be able to spend money throughout the world. It supplements and encompasses our point 4 program. The general thinking now, both in the State Department and in the United Nations, is that point 4 and all these international assistance organizations should be subordinated to the technical assistance program in the U. N."—Robert Morris, special counsel, Senate Internal Security Committee (from the Story of Communism in the U. N., U. S. News and World Report, December 5, 1952).

#### DEVICE FOR CONTROL

The most successful device yet fashioned for bringing the programs and policies of the specialized agencies under U. N. control is the U. N.-administered central fund, created to finance the "expanded" technical assistance work of seven autonomous international organizations.

Since programs are merely an expression of the ideas and purposes of people, it is pertinent to look behind the U. N. central fund to see who originally planned it, and who has since been most useful in advancing its potential for centralizing control in the U. N.

In the earlier stages of planning and establishment, the star roles were played by David Weintraub and V. Frank Coe. Later, protectors and developers emerged both in the United States delegations to U. N. and in the U. N. Secretariat itself.

#### DAVID WEINTRAUB TAKES LEADERSHIP

The records seem to indicate David Weintraub was one of the leaders in the drive to give control of all of the specialized agencies to the U. N. Of Weintraub, the Senate Internal Security Subcommittee said (in its report of August 24, 1953):

"David Weintraub occupied a unique position in setting up the structure of Communist penetration of Government agencies by individuals who have been identified by witnesses as underground agents of the Communist Party, and who, when asked about the truth of this testimony, either invoked the fifth amendment or admitted such membership.

"He was the director of the national research project of the Works Progress Administration which was an object of special attention during our hearings. The project appears to have been a kind of trapdoor, through which agents of the Communist underground gained entrance to the Government."

The New York Times of January 2, 1953, reports as follows on David Weintraub:

"WASHINGTON, January 1.—A State Department memorandum listing 38 past and present United States employees of the United Nations as persons 'believed to be Communists or under Communist discipline' was made public today by the Senate Internal Security Subcommittee.

"The memorandum said 11 still were on the United Nations payroll. \* \* \*

"One of the 11 named as still on the U. N. payroll was David Weintraub, Director of the Division of Economic Stability and Development. Last Tuesday a House judiciary subcommittee was told by the Justice Department that there had been 43 derogatory Federal Bureau of Investigation reports on Mr. Weintraub between January 31, 1945, and November 12, 1952. In April 1950, the State Department made an adverse report on him to the United Nations."

Robert Morris, special counsel of the Senate Internal Security Subcommittee, said in an interview published in the U. S. News and World Report (December 5, 1952):

"The subcommittee has revealed that David Weintraub, the head of the Economic Division, has brought in many of the officials who have refused to answer questions about their Communist membership. Some of these people were associated with him in past United States Government employment. Notwithstanding this and other testimony about Weintraub, he still remains in his position."

The Reader's Digest for May 1954 (The Web of Subversion—condensation of the book by James Burnham) states:

"When the research project disappeared from the scene with the coming of the war, David Weintraub's governmental career continued upward in other agencies. He was with the War Production Board, became an assistant to Harry Hopkins, and was in the State Department. After that he went into the budding United Nations Relief and Rehabilitation Administration (UNRRA), where he became Deputy Director. He was, that is to say, at the top of that organization, with all its billions of dollars.

"In 1946 Weintraub has a series of quarrels with Fiorello La Guardia, then Director of UNRRA, as a result of which he was fired. But Mr. Weintraub had no occasion to seek unemployment relief. The United Nations was opening up shop, and he was evidently just the man the U. N. needed. In a jiffy he was hired, at more than \$14,000 a year, and installed in the U. N. Secretariat as Director of the Economic Stability and Development Division.

"Weintraub was never one to neglect his chicks. Soon there appeared at his side his old Associate Director, Irving Kaplan, at a \$12,440 salary. To preserve the traditional atmosphere, there were also present in his U. N. division Joel Gordon (\$13,000), Herman Zap (\$8,700), and Sidney Glassman (\$8,500), all three of whom pleaded self-incrimination when later questioned about Communism."

Much has been made of the fact that David Weintraub brought into the U. N. Secretariat a number of people who later resorted to the fifth amendment when questioned about their Communist activities. The Senate Internal Security Subcommittee report (August 24, 1953) may provide an explanation for Mr. Weintraub's propensity for hiring people who would not discuss their political activities:

"Almost all of the persons exposed by the evidence had some connection which could be documented with at least one—and generally several—other exposed persons. They used each other's names for reference on applications for Federal employment. They hired each other. They promoted each other. They raised each other's salaries. They transferred each other from bureau to bureau, from department to department, from congressional committee to congressional committee. They assigned each other to international missions. They vouched for each other's loyalty and protected each other when exposure threatened."

Whatever David Weintraub's reasons were for opening the U. N. Secretariat door to so many who later were charged with being Communists, the fact is

that he had on his immediate staff in the Division of Economic Stability and Development eight of the people who were dismissed by the United Nations following Federal grand jury inquiry and hearings by the Senate Internal Security Subcommittee regarding presence of American subversives in the U. N. These eight together with appropriate highlights from their records, were:

Irving Kaplan—of whom the Senate Internal Security Subcommittee said: "Kaplan appeared before us during the inquiry into IPR (Institute of Pacific Relations)." Here is a sample of his testimony:

"Mr. SOURWINE. Were you ever a Soviet espionage agent?"

"Mr. KAPLAN. I refuse to answer on the ground that it may tend to incriminate me.

"Mr. SOURWINE. Are you a Soviet espionage agent now?"

"Mr. KAPLAN. I refuse to answer \* \* \*

"Mr. SOURWINE. Did you ever conspire to overthrow the Government of the United States by force and violence?"

"Mr. KAPLAN. May I consult with counsel?"

"Senator FERGUSON. Yes.

"(Mr. Kaplan confers with counsel.)

"Mr. KAPLAN. I refuse to answer on the same grounds \* \* \*

"Senator FERGUSON. Was there a ring in Washington, where Communists were active, to get other Communists in to the United States Government?"

"Mr. KAPLAN. I refuse to answer \* \* \*

"Shortly after this testimony, Kaplan took the stand before the House Committee on Un-American Activities on June 10, 1952. His combined testimony fills about 61 pages. On those 61 pages we find that he believed it might incriminate him if he gave true answers to 244 questions \* \* \*

"The man who gave Irving Kaplan his job as associate director of the National Research Project of WPA in 1935 was David Weintraub. The man who helped Irving Kaplan get his job with the Division of Economic Stability of the United Nations 12 years later was the same David Weintraub, who by that time was Director of that U. N. division.

"Whittaker Chambers involved both Kaplan and Weintraub as Communists. He said that Kaplan gave him, Chambers, a job with the National Research Project of WPA in the 1930's as a service to the Communist conspiracy.

"Elizabeth Bentley testified that Kaplan was one of the espionage ring who gave her stolen Government secrets in the 1940's \* \* \*

"When Kaplan went to the Treasury in June 1945, it was Frank Coe who appointed him. Coe's name was on the Berle notes and he was identified by Bentley as a Communist. He invoked the fifth amendment before us last December 1, 1952.

"After his return from Germany, both Coe and Harold Glasser rated Kaplan's Treasury work E, for excellent \* \* \* on May 17, 1946, Kaplan was transferred by Coe to the Office of War Mobilization and Reconversion. \* \* \*

Joel Gordon—of whom Robert Morris, special counsel for the Senate Internal Security Subcommittee, said in an interview (U. S. News & World Report, Dec. 5, 1952):

"Joel Gordon, chief of the Current Trade Analysis Section of the Division of Economic Stability and Development, also refused to say whether he was presently engaged in subversive activities against the United States, whether he had engaged in espionage, or whether he was a Communist."

The New York Times, October 23, 1952, reports:

"UNITED NATIONS, New York, October 22.—Secretary General Trygve Lie today dismissed one United Nations employee who had balked at answering questions about Communist activity put by a Senate subcommittee, suspended another, and placed 10 on compulsory leave. All 12 were United States citizens. \* \* \*

"Suspended—Joel Gordon, chief of the Current Trade Analysis Section of the Department of Economic Affairs, with a take-home pay of \$10,100. Mr. Lie said that Mr. Gordon had refused to tell the subcommittee whether he was 'now engaged in any subversive activities against the United States Government.' Mr. Gordon will continue to receive his salary during his suspension."

Herbert S. Schimmel—of whom the New York Times reported on October 15, 1952, in connection with hearings of the Senate Internal Security Subcommittee:

"Mr. Schimmel's testimony led to Senator O'Connor's vehement call for ousters. The economist had refused to say whether he had been a Communist while employed by the Works Progress Administration. He did say that 'I was not' a Communist in 1941 when on the staff of a House committee headed by the late



Representative John H. Tolan, Democrat of California, investigating national defense migration.

"Confronted with questions about various individuals, Mr. Schimmel pleaded that he had been ordered Monday night to appear even though his lawyer could not be present. In the midst of Mr. Schimmel's discussion on this with Robert Morris, committee counsel, Senator O'Connor declared that it was 'a sorry day' when Americans working for an international organization could not answer questions bearing on their loyalty."

The New York Times of January 2, 1953, said:

"WASHINGTON, January 1.—A State Department memorandum listing 38 past and present United States employees of the United Nations as persons 'believed to be a Communist or under Communist discipline' was made public today by the Senate Internal Security Subcommittee \* \* \*

"\* \* \* listed in the memorandum as being former employees separated from their jobs after adverse comment had been handed to the United Nations: Herbert S. Schimmel, hired April 17, 1949, adverse comment December 19, 1951, terminated October 30, 1952."

With monotonous regularity, members of David Weintraub's staff refused to answer questions put to them by the Federal grand jury and the Senate Internal Security Subcommittee. The similarity of their case histories makes repetition unnecessary. Therefore, only the disposition of each, as reported in the New York Times of January 2, 1953, will be noted here:

Sidney Glassman—of whom the New York Times (January 2, 1953) says:

"The State Department's list of 27, however, is not the complete accounting of persons dismissed by the loyalty controversy. At least 7 other persons have been ousted by the United Nations, 6 of them for refusal to answer questions asked by the Senate's Subcommittee on Internal Security. They are Sidney Glassman \* \* \* Herman Zap \* \* \*."

Herman Zap—See above report on Sidney Glassman.

Dimitry Varley—The New York Times (January 2, 1953) states:

"Washington, January 1.—A State Department memorandum listing 38 past and present United States employees of the United Nations as persons 'believed to be Communist or under Communist discipline' was made public today by the Senate Internal Security Subcommittee \* \* \* Mr. Hickerson named these 11 persons as still on the United Nations payroll: Dimitry Varley, hired October 1, 1946; adverse comment about November 21, 1950 \* \* \*."

Eugene Wallach—The New York Times (January 2, 1953) says:

"These 25 persons were listed in the memorandum (of the State Department listing United States employees of the United Nations 'believed to be Communists or under Communist discipline') as being former employees separated from their jobs after adverse comment had been handed to the United Nations: Eugene Wallach, hired August 30, 1946, adverse comment April 21, 1950, terminated June 20, 1950 \* \* \*."

Mrs. Marjorie Zap—The same list referred to in connection with Eugene Wallach, above, included the name of Marjorie Zap, as follows:

"Marjorie Zap, hired May 5, 1947, adverse comment January 20, 1951, compulsory leave October 22, 1952, terminated November 21, 1952."

#### REORGANIZATION OF THE TECHNICAL ASSISTANCE BOARD (TAB)

24. In the middle of 1952, the Technical Assistance Committee (TAC) reviewed the methods of operations of the TAB and recommended to the ECOSOC a number of changes in the basic resolution (establishing the U. N. expanded technical assistance program; 222 (IX). The Economic and Social Council at its 14th session accepted these changes, which provided for the appointment of an Executive Chairman and a modification in the function and responsibilities of the Board.<sup>1</sup> The Executive Chairman was given the task of reviewing all program proposals, either preliminary or final, with a view to developing balanced country programs, and he was to make such recommendations to the Board on all programs as he saw fit. The Chairman was also to exercise continuous supervision of the program, and to insure that all the Board's activities were adequately coordinated.<sup>2</sup> And finally, special emphasis was placed on the role of the resident representatives.

25. In making the recommendations on financial arrangements for 1953, the Technical Assistance Committee also provided that all programs for 1953 were

<sup>1</sup> David Weintraub was slated to get this job, but resigned under fire of Senate Internal Security Subcommittee before assuming it—David Owen later took it.

<sup>2</sup> Resolution 433 A (XIV).

to be reviewed by the Chairman and approved by the Board before funds were allocated, whether the projects were financed from the agency automatic allocations or from the retained contributions account. This latter requirement and the new general responsibilities necessitated a change in the organization of the Secretariat of the Technical Assistance Board, and this was accomplished over the latter half of 1952 and in the early months of 1953.

The above paragraphs appeared in United Nations Technical Assistance Committee Fifth Report of the Technical Assistance Board, Economic and Social Council Official Records: 16th session, supplement No. 10, E/2433, June 1, 1953.

UNITED STATES CITIZENS ON STAFF OF DAVID OWEN (ASSISTANT SECRETARY-GENERAL OF U. N. FOR ECONOMIC AFFAIRS) WHO WERE DISMISSED FOLLOWING INQUIRY BY FEDERAL GRAND JURY AND SENATE INTERNAL SECURITY SUBCOMMITTEE INTO COMMUNIST INFILTRATION OF U. N. SECRETARIAT

#### ECONOMIC STABILITY AND DEVELOPMENT DIVISION

David Weintraub, Director: Net salary, tax paid by U. N., of \$11,800 plus an \$800 allowance. (Resigned under fire.)

Sidney Glassman: Net salary of \$8,500 tax paid by U. N.

Irving Kaplan: \$12,440 per year.

Eugene Wallach.

Herbert Schimmel: Economic affairs officer, \$8,500 net, tax paid by U. N.

Joel Gordon: Chief, Current Trade Analysis Section, \$10,000 net, tax paid by U. N.

Herman Zap (later transferred to U. N. Technical Assistance Administration; (see note below).

Mrs. Marjorie Zap: Economic affairs officer, \$4,800 net salary, tax paid by U. N.

#### OTHER SECTIONS OF ECONOMIC AFFAIRS

Hope Dorothy Eldridge: Statistical officer, \$7,525 net salary, tax paid by U. N.

Rhoda Rastoff: Transport and Communications Division.

UNITED STATES CITIZENS ON STAFF OF U. N. TECHNICAL ASSISTANCE ADMINISTRATION WHO WERE DISMISSED FOLLOWING INQUIRY BY FEDERAL GRAND JURY AND SENATE INTERNAL SECURITY SUBCOMMITTEE INTO COMMUNIST INFILTRATION OF U. N. SECRETARIAT

Alfred J. Van Tassel, Chief, Economic Section, Special Projects Division, U. N. TAA—\$9,000 salary net, tax paid by U. N.

Stanley Graze, Executive Secretary of the Railways Operation Study Unit, U. N. TAA—\$6,000 net salary, tax paid by U. N.

Herman Zap, training officer—\$6,625 net salary, tax paid by U. N.

#### FIRST ATTEMPT BY U. N. SECRETARIAT TO CONTROL TECHNICAL ASSISTANCE

On January 8, 1947, a meeting was called at U. N. Headquarters by David Weintraub, Director of the Division of Economic Stability and Development, Department of Economic Affairs, U. N.

According to Mr. Weintraub, the purpose of the meeting was to consider what immediate steps might be taken through the U. N. Secretariat toward the attainment of "balanced" programs of economic development, including provision of technical assistance. Organizations represented, with number of persons from each noted in parenthesis: FAO (2 representatives); International Bank (3 representatives); International Labor Office (1 representative); WHO (2 representatives); United Nations (11 representatives).

A major part of the discussion centered around a draft paper circulated by Mr. Weintraub. The principal section is quoted below:

"4. To enable the United Nations most effectively to assist in the development of the less-developed countries or areas of the world;

"(a) The member governments of the United Nations should be invited to forward to the Secretary General detailed statements showing what agency or agencies in their countries have as their major concern the general economic development of their countries and giving a description of their authority, plans, programs, activities, personnel, and financial resources;

"(b) The Secretary General should assemble and analyze the above data and make them available to the Economic and Social Council and its appropriate



commissions and subcommissions and to such other agencies or members of the United Nations as may be concerned:

"(c) The Secretary General should keep under continuous review the progress of development in the less-developed countries or areas so that—

"(i) he may be in a position to consider appropriate and prompt action in cooperation with other United Nations or national agencies concerned, if, at any time, a development project or program, justified on other grounds, has been unable to go forward for lack of adequate international financial facilities or technical assistance;

"(ii) he may be in a position to take or promote appropriate action to ensure that development programs are consistent with the international economic policies of the United Nations;

"(d) The Secretary General should consider the establishment of a consultative mechanism of the United Nations agencies concerned for the purpose of ensuring that the resources of the United Nations are utilized most effectively and expeditiously to achieve balanced economic and social progress and development;

"(e) The Secretary General should, in cooperation with the other United Nations agencies concerned, make appropriate arrangements for the provisions of such technical assistance as member governments may request in order to enable the governments concerned to plan and carry out balanced development programs as speedily and as competently as possible."

Excerpt from covering letter, dated January 10, 1947, from David Weintraub to participants in a meeting which he had called on January 8, 1947, to discuss steps to be taken by the U. N. Secretariat toward attainment of 'balanced' economic development, including provision of technical assistance:

"Although, as I told you at the meeting, this statement is not construed by us as necessarily reflecting the view of any of the agencies represented at the meeting, it will be used by the U. N. Secretariat as a guide in our own work."

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JANUARY 14, 1947.

NOTE ON INFORMAL DISCUSSION ON ECONOMIC DEVELOPMENT, LAKE SUCCESS,  
11 A. M., JANUARY 8, 1947

Mr. Weintraub acted as chairman, and in addition to U. N. representatives, members of the staffs of the following international agencies were present: IMF, International Bank, FAO, ILO, the preparatory commission of ITO, UNESCO, and World Health Organization. The IMF was represented by Mr. Friedman and Mr. Fisher.

U. N. and the specialized agencies were asked to consider what could be done to facilitate balanced development programs in individual countries, and to insure a common approach and efficiently coordinated action on the part of the agencies most directly concerned. The bank is naturally the most active operator in this field, but FAO will also probably wish to sponsor development projects, and IL conferences will wish to pass resolutions on the subject. IMF's interest is less direct, though they are concerned that development programs should produce balanced economies in a slightly different sense.

UN proposes to ask member governments to submit statements listing national agencies which have general economic development as their major concern, and describing their authority, plans, programs, activities, personnel and financial resources. The document in which this request is to be embodied will be submitted for comment, informally and without prejudice, to those who were present at the meeting, responsibility for it remaining, however, with U. N. The U. N. Secretariat will then be asked to keep the program development in the less developed countries under continuous review, and in particular to examine the factors which may be impeding it. It was pointed out that this request might overlap with others being made by the specialized agencies such as the IMF, and it was agreed that the U. N. Secretariat should not make any request at this time, but, instead, each agency might report orally and informally on its activities in this field, and the U. N. Secretariat can then see what gaps, if any, exist.

The bank showed some intelligible concern lest the process of coordination should threaten to impair its exclusive responsibility for making decisions on loan requests made to it, and it was finally agreed that it would generally be undesirable to place the Secretary-General in a position where he might feel obliged to advocate the claims of any member state as against a bank decision.

It appears that U. N. would like to make the systematic provision of technical assistance one of its positive functions. \* \* \* The question was raised of sending teams of investigation to suitable areas to examine development problems on the spot. \* \* \*

It appeared to be taken for granted that all the specialized agencies would be invited to attend Commission and subcommission meetings, though the extent of their participation in each case is a matter of procedure to be decided by each Commission or subcommission itself.

It is proposed to continue informal meetings such as these, and the second will probably be called within the next 4 to 6 weeks.

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[United Nations press release, March 25, 1949]

STATEMENT BY SECRETARY-GENERAL TRYGVE LIE ON ECONOMIC DEVELOPMENT AND  
TECHNICAL ASSISTANCE TO UNDERDEVELOPED COUNTRIES

We shall be taking another step next week in the development of the United Nations plans for technical assistance and economic development of underdeveloped countries.

On Thursday, March 31, there will be consultations at the offices of the International Bank in Washington, D. C., among representatives of seven of the specialized agencies and a secretariat party headed by Assistant Secretary-General David Owen. These consultations are for the purpose of establishing some of the basic policy lines to be followed in the plans on technical assistance which the Economic and Social Council requested us to prepare. After these consultations, an expert group will start work at Lake Success. Their draft plans should be ready for consideration by the Administrative Committee on Coordination in the middle of May, and I hope to be able to complete the report by the end of that month.

In the meantime, I have asked the International Bank and the International Monetary Fund, the Food and Agriculture Organization, the International Labor Office, and UNESCO to give me their views on methods of financing economic development projects. You will recall that the Economic and Social Council requested me to make reports to its next session on both technical assistance for economic development and methods of financing development projects themselves.

I look upon these plans for an expanded United Nations program of technical assistance and for financing economic development as affording a major opportunity for constructive action by the United Nations and the Specialized Agencies during the months ahead.

In addition to Mr. Owen, the Secretariat party to Washington will include Mrs. Alva Myrdal, top-ranking Director of the Department of Social Affairs, Mr. Martin Hill, Director of Coordination for Specialized Agencies, Mr. *David Weintraub*, Director of the Division of Economic Stability and Development, and Mr. Perez-Guerrero, Adviser on Coordination.

I expect that Mr. John J. McCloy, president of the International Bank, Mr. Camille Gutt, Director of the International Monetary Fund, and Sir Herbert Broadley, Acting Director of the Food and Agriculture Organization, will represent their agencies at the meeting in Washington.

Assistant Director-General C. W. Jenks is expected to represent the International Labor Office. Dr. Frank Calderone, Director of Liaison Services, will represent the World Health Organization; Dr. C. E. Beeby, Assistant Director-General in charge of Education of UNESCO; and Mr. E. R. Marlin, the International Civil Aviation Organization.

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THE U. N. EXPANDED TECHNICAL ASSISTANCE PROGRAM (ETAP)

(A high-level official of an international organization prepared for the head of his agency the following summary of developments in the multilateral technical assistance program :)

Subject: ETAP.

Date: SEPTEMBER 21, 1954.

President Truman's inaugural speech in January 1949, suggested, as point 4 in his international program, a technical assistance program, to be carried out both

bilaterally and through the international agencies. This general suggestion was made specific by the United States representative to ECOSOC the next month. ECOSOC requested the Secretary-General of U. N., in consultation with the heads of the specialized agencies, to prepare an overall plan of the program, for presentation to its summer session.

The heads of the specialized agencies advised U. N. that, before setting up a working party to prepare this plan, a policy decision should be reached on whether the proposed program would be financed and controlled centrally through U. N., or be financed through each of the agencies separately and operated by the agencies cooperatively. U. N. resisted any real discussion of this point, and opened the working party meetings before a final policy agreement had been reached. While the specialized agencies continued strongly to argue the case for a decentralized program, *the U. N. (whose spokesman was usually David Weintraub)* resisted any alternative to a centralized appropriation and budget and centralized by U. N. of the program. However, after about 6 weeks of discussion, the report of the working party to ECOSOC was finally agreed upon. It reflected an essentially decentralized approach, despite U. N. objection.

At its summer session in 1949, ECOSOC overruled the report, and voted for a centralized budget and appropriation, to be administered by a Technical Assistance Board, whose decisions would be subject to ECOSOC review.<sup>1</sup>

Since 1949, the TAB program has been active, but there has been increasing restiveness by the specialized agencies under TAB and U. N., especially as ECOSOC continued to press for more and more control over the agencies' technical assistance activities. This situation came to a head this spring and summer, when a French proposal was adopted by ECOSOC, after considerable discussion, which, in essence, gave TAB and its chairman, acting as agents of ECOSOC, final say on the technical assistance programs to be carried out by the agencies.

This dissatisfaction of the agencies, particularly WHO and FAO, with this situation was reflected by people in the United States technically interested in their activities. During the congressional appropriations hearings this summer, the question was raised as to why the U. N. should have such a control over the agencies' work in this field. It was agreed (S. Rept. 2268) that a congressional study should be made of the whole question of United States relationships to multilateral technical assistance, including the possibility of direct financing of the specialized agencies' programs. In making this study, there are to be consultations with interested parties, including the international organizations, if this seems desirable.

Mr. MORRIS. I have here document No. 6, Senator, entitled "Measures for the Economic Development of Underdeveloped Countries. Report by a Group of Experts Appointed by the Secretary-General of the United Nations. Issued by the Department of Economic Affairs, United Nations, New York, May 1951."

Senator JENNER. It may go into the record and become a part of the record.

<sup>1</sup> NOTE.—Based on this development, the International Bank and the International Monetary Fund decided they could not participate in the new program, nor be members of TAB and thus subject their own activities to possible control by a U. N. body.



(The document referred to was marked "Exhibit No. 306" and is as follows:)

EXHIBIT No. 306

DAVID WEINTRAUB AND SUNFED (SPECIAL UNITED NATIONS FUND FOR ECONOMIC DEVELOPMENT)

ALSO—DIMITRY VARLEY

[The New York Times, August 9, 1955]

U. N. UNIT PUSHES HUGE AID PROJECT

ECONOMIC COUNCIL ACTS TO PUT WORLD GROUP MORE ACTIVELY IN DEVELOPMENT BUSINESS

By Michael L. Hoffman

Special to the New York Times

GENEVA, August 5.—The United Nations Economic and Social Council passed several resolutions today putting the United Nations more actively in business as a promoter of economic growth. The Council then closed its busy twentieth session.

The Council took the project for a huge United Nations fund to make grants of aid to underdeveloped countries a step further. It asked the Secretary General to poll governments on their willingness to support the project, as now drafted. It would be known as the *Special United Nations Fund for Economic Development*. The object of the promoters is to get a General Assembly vote on the establishment of the fund at next year's session of the Assembly.

Resolutions were also adopted giving the regional economic commissions for Europe, Latin America and Asia and the Far East more authority to promote regional trade conferences and engage in trade expansion work generally. An effort by the Soviet Union to revive the project of an international trade organization within the United Nations framework failed, however, to get approval.

SOME SERIOUS DOUBTS

Many delegates, particularly those from countries with long experience in the processes of economic expansion, have serious doubts that the good intention in these matters will invariably be followed by good results. But the economically big countries have, on the whole, dragged their feet more quietly this year as the smaller and less developed members seek to push the United Nations further into various activities in these fields.

The United States, for instance, abstained from voting on the big fund resolution, but did not vote against it, although there are several features in it the State Department does not like.

The project has been tied in with the idea that a reduction in armament expenditures that might result from a still-to-be-achieved East-West disarmament agreement would make it easier for governments to appropriate money for aid to underdeveloped countries.

UNITED STATES IN STRONGER POSITION

The United States delegation has been in a stronger moral and bargaining position this year than at any previous session of the Council. This year Congress has given the administration virtually everything asked for in the nature of technical assistance to the underdeveloped countries through United Nations agencies.

LETTER OF TRANSMITTAL TO THE SECRETARY GENERAL

We have the honor to submit herewith our report on Measures for the Economic Development of Underdeveloped Countries.<sup>1</sup>

<sup>1</sup> This group suggested a large fund, from which U. N. would give grants-in-aid to underdeveloped countries—a plan then called International Development Authority, now known as Special United Nations Fund for Economic Development (SUNFED).

We are happy to be able to present a unanimous report containing recommendations for national and international measures to promote economic development.

In view of the wide scope of our report and its general character, we have not dealt with specific problems of particular underdeveloped countries or regions.

At the request of the group, George Hakim served as Chairman.

*We wish to express our gratitude for the valuable assistance given us by the Secretariat of the United Nations.<sup>2</sup>*

Respectfully yours,

[Signature illegible—presumably A. B. CORTEZ.]

D. R. GADGIL.

GEORGE HAKIM.

W. ARTHUR LEWIS.

T. W. SCHULTZ.

NEW YORK, 26 April 1951.

#### SECRETARY GENERAL'S PREFACE

This report on measures for the economic development of underdeveloped countries should be regarded as a counterpart to the earlier report on national and international measures required to achieve full employment in economically more developed countries.<sup>3</sup> It was prepared by a group of experts whom I appointed at the invitation of the Economic and Social Council after the Council adopted a far-reaching series of recommendations following an exhaustive discussion of the earlier report. Like the earlier document, the present report represents the unanimous view of its authors, who acted in their personal capacities and whose recommendations are put forward on their own responsibility.

The group was composed of Alberto Baltra Cortez, Professor of Economics, National University of Chile; D. R. Gadgil, Director, Gokhale Institute of Politics and Economics, Poona, India; George Hakim, Counselor, Legation of Lebanon, Washington, D. C.; W. Arthur Lewis, Professor of Political Economy, University of Manchester, England; and Theodore W. Schultz, Chairman, Department of Economics, University of Chicago, U. S. A. At the request of the group, George Hakim served as Chairman.

The Economic and Social Council invited me to appoint a group of experts to study the problem of reducing unemployment and underemployment in underdeveloped countries in the light of the current world economic situation and of the requirements of economic development, and to transmit the report to Member Governments and to the Economic, Employment and Development Commission. The Commission in turn has been requested by the Council to examine the report and to submit to the Council any comments and recommendations for action which seem appropriate. I am particularly pleased to make this report available for general discussion because it covers a subject which I commended to the fifth session of the General Assembly for consideration in the development of a Twenty-Year Programme for Achieving Peace through the United Nations. In my Memorandum to the \* \* \*

#### MEASURES FOR THE ECONOMIC DEVELOPMENT OF UNDERDEVELOPED COUNTRIES

*Report by a Group of Experts appointed by the Secretary General of the United Nations*

*Issued by the Department of Economic Affairs<sup>4</sup> United Nations, New York, May 1951*

#### PART 3—MEASURES REQUIRING INTERNATIONAL ACTION

##### INTERGOVERNMENTAL GRANTS

270. Before rapid economic progress can begin to be made, the governments of the underdeveloped countries will have to spend large sums in improving the human factor—on schools, on agricultural extension services, on university

<sup>2</sup> These experts met in one of a series of meetings on problems of economic development, which were organized by the U. N. Division of Economic Stability and Development (of which David Weintraub was Director). See p. 7 of attached statement of David Owen.

<sup>3</sup> National and International Measures for Full Employment, December 1949, U. N. Sales No. 1949.II.A.3.

<sup>4</sup> David Owen was head of this U. N. department—David Weintraub's division (Economic Stability and Development) was operating arm of it, in charge of organizing the meeting which produced this report.

training, on technical education, and on public health. They will also have to spend large sums in improving their administration, and upon basic social capital. Most of them do not have the money required for these purposes, and they cannot borrow it. If they could get this money, its expenditure would itself stimulate both private investment and Government borrowing. Without this money, development proceeds at a slow pace, and the total inflow of capital is a mere fraction of what is needed.

271. *We therefore urge most strongly that some mechanism be created for transferring from the developed to the underdeveloped countries, by way of grants-in-aid, a sum of money which should increase rapidly, reaching eventually a level about \$3 billion a year.*<sup>5</sup> This would be equivalent to rather less than 1 percent of the national incomes of Western Europe, Australasia, the United States and Canada.

272. The principle that the better off should help to pay for the education, the medical services and other public services received by the poorer classes of the community is now well established within every Member nation of the United Nations. The idea that this principle should also be applied as between rich and poor countries is relatively new. It has, however, been put into practice on several occasions. The work of UNRRA is an outstanding example of United Nations collaboration in this sphere. But even this is far overshadowed by the munificence of the United States which in the past few years has given away to the rest of the world sums that are a multiple of the figure we are now suggesting that the developed countries together should transfer to the underdeveloped countries. A very large part of the grants made in recent years has gone to the peoples of Europe, who are next in line of wealth after the peoples of North America and of Australasia. The need for such assistance to Europe has now virtually ended. If some of what Europe has been receiving were now made available to the underdeveloped world, our modest target would easily be met.

273. We do not suggest that aid should be given unconditionally to underdeveloped countries. This would not be wise. Each grant should be linked to a specific function, and there should be international verification that the funds are used only for the purpose for which they have been granted.

274. *We recommend that the United Nations should establish an International Development Authority with power to make grants to the governments of underdeveloped countries*<sup>6</sup> for the purposes listed in paragraph 276. We make this recommendation, conscious of the fact that some governments may prefer to set up their own organizations for this purpose, such as the Economic Cooperation Administration of the United States. Even if some governments do set up their own organizations, we nevertheless recommend that there should also be established an International Development Authority to operate in this field. We believe that an international body has certain advantages over a national body in this kind of work, such as that international verification of expenditures is more acceptable to the receiving countries. We also believe that the traditions of some of the smaller developed countries, such as the Scandinavian and Australasian countries, are such that they would wish to contribute towards this operation. The creation of an International Development Authority would enable them to do this without the burden of setting up separate organizations of their own.

275. We have not thought it necessary to draft a constitution for such an authority, since its details would depend very much on the number and types of countries willing to contribute, on the terms of their participation, and on the number of similar national organizations that might be created. The important points at this stage are that Members of the United Nations should agree that such an authority is necessary, and that they should have an idea of the size of the sum of money which is needed for disbursement by means of grants.

276. The functions of the International Development Authority should be as follows:

(1) To decide upon and administer the distribution of grants-in-aid for the specific purposes listed below, and to verify their utilization.

(2) To cooperate with underdeveloped countries in preparation and coordination of plans of economic development by affording general assistance and, where necessary, by providing the services of technical experts and by giving grants-in-aid for the preparation of plans of economic development.

(3) To help in implementing development plans, especially in the procurement of scarce resources, e. g., capital goods, technical personnel.

<sup>5</sup> This is origin of plan now being promoted by U. N. as "SUNFED."

<sup>6</sup> Now being promoted by U. N. as "SUNFED."



(4) To make periodic reports regarding the preparation and progress of plans of development, to provide for continuous study of the problems of economic development of underdeveloped countries, and to make recommendations to the Economic and Social Council in regard to any action that may be required concerning these problems.

The following purposes should be considered eligible for grants; other purposes, which are more capable of being self-supporting, should be financed by borrowing:

(a) Research and education. This includes grants for agricultural extension services, technical schools, farm schools, local universities, and for training technicians abroad, grants to departments of governments, research institutes or universities, wherever located, working on problems of underdeveloped countries;

(b) Public health programmes, emphasizing preventive medicine and nutrition rather than curative medicine;

(c) Subsidization of medium- and short-term farm credit;

(d) Improvement of rural public works. This includes grants for roads, rural water supplies, land reclamation, drainage, soil conservation, afforestation.

277. We have considered whether there should not also be created an institution to make loans at very low rates of interest, such as one-half of 1 percent, for investment in social capital, such as roads. We have concluded that this is not necessary, since exactly the same purpose can be met by combining a loan from the International Bank with a grant-in-aid from the International Development Authority, in cases where an undertaking desirable on social grounds, could not meet the full burden of loan finance.

278. A political issue of some delicacy arises with international verification of the expenditure even when grants are tied to particular functions. Some countries are ruled by corrupt or reactionary cliques whose regime might be overthrown by the people if there were no foreign aid, and who may be settled in their rule because foreign grants have become available. Members of the United Nations will not wish to have had any hand in fastening such governments on peoples. They might therefore wish to lay down certain minimum conditions before an underdeveloped country was admitted to the list of those eligible to receive grants. This is a most controversial matter, on which we do not make any recommendation.

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#### UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

E/CN.1/SR. 125

31 May 1951

Original: English

General Distribution  
on 11 June 1951

#### *ECONOMIC, EMPLOYMENT, AND DEVELOPMENT COMMISSION*

#### Sixth Session

#### SUMMARY RECORD OF THE HUNDRED AND TWENTY-FIFTH MEETING

Held at Headquarters, New York, on Tuesday, 29 May 1951, at 10:30 a. m.

#### CONTENTS:

Report of the group of experts appointed by the Secretary General under Economic and Social Council resolution 290 (XI) on measures to reduce unemployment and underemployment in underdeveloped countries in light of requirements of economic development (E/1986); discussion of Commission's draft report (E/CN.1/L.17)

Chairman: Mr. Nunes Guimaraes, Brazil.

Members: Mr. Bunge, Argentina; Mr. Bury,\* Australia; Mr. Masoin,\* Belgium; Mr. Wolfson,\* Canada; Mr. Cha,\* China; Mr. Nosek,\* *Czechoslovakia*; Mr. Dayras,\* France; Mr. Saksena,\* India; Mr. Bjerve,\* Norway; Mr. Madrigal, Philippines; Mr. Katz-Suchy, *Poland*; Mr. Chernyshev, *Union of Soviet Socialist Republics*; Mr. Wilson,\* United Kingdom of Great Britain and Northern Ireland; Mr. Stinebower, United States of America; Mr. Lang, *Yugoslavia*.

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\*Alternates.

Representatives of specialized agencies: Miss Banos, Food and Agriculture Organization (FAO); Mr. Lopez Herrarte, International Bank for Reconstruction and Development.

Representatives of nongovernmental organizations—Category A: Miss Kahn, *World Federation of Trade Unions (WFTU)*; Miss Sansom, International Chamber of Commerce (ICC); Mr. Brophy, International Confederation of Free Trade Unions (ICFTU).

Secretariat: Mr. WEINTRAUB, *Secretary of the Commission*.

Report of the group of experts appointed by the Secretary General under Economic and Social Council Resolution 290 (XI) on measures to reduce unemployment and under employment in underdeveloped countries in light of requirements of economic development (E/1986); Discussion of Commission's draft report (E/CN.1/L.17).

Mr. NOSEK (Czechoslovakia) wished to emphasize, as a result of the procedure followed the previous day in discussing the Commission's draft report that the basic requirement of any report was that it should give a clear and factual record of the proceedings and should indicate all the opinions expressed in the course of the discussion and not only the majority view.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) wished to thank the Secretariat for its promptness in making the corrections to the summary record which he had requested the previous day.

\* \* \* \* \*

[Page 6.] Mr. WILSON (United Kingdom) suggested the insertion in the paragraph of a sentence to the effect that "in doing so, it should have regard to the formidable problem of education which is entailed in such reforms as these."

Mr. BJERVE (Norway) felt that some reference should be made to the question of taxation mentioned in Recommendation 1. As the Chairman had previously pointed out, the phrase "taxation upon a progressive basis" was ambiguous. It also gave rise to complicated problems and he could not therefore subscribe to its use without some qualification. He would personally prefer to substitute the phrase "the improvement of the taxation system".

The CHAIRMAN supported the Norwegian representative's suggestion. The point was extremely important, inasmuch as one of the main problems facing the underdeveloped countries was that of capital formation without the imposing of an undue burden on labour.

Mr. WEINTRAUB (*Secretary of the Commission*) pointed out that, if it was a question of interpreting the phrase used by the Group of Experts, what the latter had intended to convey was that the tax system should be so organized that it placed the burden on those best able to pay.

Mr. WOLFSON (Canada) remarked that other considerations also arose, for example, the problem of capital formation, to which the Chairman had drawn attention. He suggested the phrase "the establishment of taxation on a basis appropriate to the needs of development of the under-developed countries."

Mr. MASOIN (Belgium) said it was clear from the relevant chapters of the report that, in making their recommendation, the experts were concerned to reduce the consumption of the wealthiest classes in the interests of domestic capital formation, either by means of direct taxation or by other methods of taxation. Their aim was not so much a system which would secure social justice as one which would promote economic development. He therefore supported the Canadian representative's suggestion.

## UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

E/CN.1/SR.129  
 18 June 1951  
 Original: English  
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 on 19 June 1951

## ECONOMIC, EMPLOYMENT AND DEVELOPMENT COMMISSION

## Sixth Session

## SUMMARY RECORD OF THE HUNDRED AND TWENTY-NINTH MEETING

Held at Headquarters, New York, on Friday, 1 June 1951, at 10.30 a. m.

## CONTENTS:

Report of the Commission to the Council (E/CN.1/L.17, E/CN.1/L.17/Add.1 E/CN.1/L.17/Add.2, E/CN.1/L.17/Add.3, E/CN.1/L.17/Add.4) (continued).

Chairman: Mr. Nunes Guimares, Brazil.

Members: Mr. Bunge, Argentina; Mr. Bury,\* Australia; Mr. Woulbroun,\* Belgium; Mr. Wolfson,\* Canada; Mr. Cha,\* China; Mr. Nosek, *Czechoslovakia*; Mr. Dayras,\* France; Mr. Saksena, India; Mr. Bjerve,\* Norway; Mr. Madrigal, Philippines; Mr. Szymanowski,\* *Poland*; Mr. Chernyshev, *Union of Soviet Socialist Republics*; Mr. Wilson,\* United Kingdom of Great Britain and Northern Ireland; Mr. Stinebower, United States of America; Mr. Lang, *Yugoslavia*.

Representatives of specialized agencies: Mr. Dawson, International Labour Organisation (ILO); Mr. Lopez Herrarte, International Bank for Reconstruction and Development (Bank); Mr. Hassanein, International Monetary Fund (Fund).

Representatives of non-governmental organizations.—Category A: Miss Kahn, *World Federation of Trade Unions* (WFTU); Miss Sansom, International Chamber of Commerce (ICC); Mr. Woodcock, International Co-operative Alliance (ICA).

*Secretariat: Mr. Weintraub, Secretary of the Commission.*

Report of the Commission to the Council (E/CN.1/L.17, E/CN.1/L.17/Add.1, E/CN.1/L.17/Add.2, E/CN.1/L.17/Add.3, E/CN.1/L.17/Add.4) (continued).

## Paragraph 33 (E/CN.1/L.17/Add.2)

Mr. LANG (Yugoslavia) suggested that in the second sentence it would be more correct to say "The view prevailed" rather than "It is the Commission's general view."

Mr. WEINTRAUB (*Secretariat*) suggested that the Commission might wish to delete the reference in the third sentence to the Department of Economic Affairs of the United Nations Secretariat in view of the fact that the Expanded Programme of Technical Assistance embraced the whole of the United Nations and the participating specialized agencies.

\* \* \* \* \*

[Page 8.]

Mr. BJERVE (Norway) thought that the sentence referring to the part of the experts' recommendation which dealt with technical assistance was not clear. He did not know what the words "such need" referred to, and suggested that a more satisfactory form might be found.

Mr. WEINTRAUB (*Secretary of the Commission*) suggested that the sentence might be clearer if the words "such need" were replaced by "the need for a new international agency".

It was so agreed.

Paragraph 33 in its amended form was approved by the Commission without further comment.

The meeting rose at 12:50 p. m.

\* Alternates.



## UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

General  
E/CN.1/SR.128  
19 June 1951  
English  
Original: French

## ECONOMIC, EMPLOYMENT AND DEVELOPMENT COMMISSION

## Sixth Session

## PROVISIONAL SUMMARY RECORD OF THE HUNDRED AND TWENTY-EIGHTH MEETING

Held at Headquarters, New York, on Thursday, 31 May 1951, at 2:30 p. m.

## CONTENTS:

Draft report of the Commission to the Economic and Social Council (E/CN.1/L.17/Add.1, E/CN.1/L.17/Add.2, E/CN.1/L.17/Add.3, E/CN.1/L.17/Add.4) (continued).

Chairman: Mr. Nunes Guimaraes, Brazil.

Members: Mr. Bunge, Argentina; Mr. Bury,\* Australia; Mr. Woulbroun,\* Belgium; Mr. Wolfson,\* Canada; Mr. Cha,\* China; Mr. Nosek,\* Czechoslovakia; Mr. Dayras,\* France; Mr. Saksena, India; Mr. Bjerve,\* Norway; Mr. Garcia,\* Philippines; Mr. Katz-Suchy, Poland; Mr. Chernyshev, Union of Soviet Socialist Republics; Mr. Wilson,\* United Kingdom of Great Britain and Northern Ireland; Mr. Stinebower, United States of America; Mr. Lang, Yugoslavia.

Representatives of specialized agencies: Mr. Dawson, International Labour Organisation (ILO); Mr. Lopez Herrarte, International Bank for Reconstruction and Development (Bank); Mr. Hassanein, International Monetary Fund (Fund).

Representatives of non-governmental organizations in Category A: Miss Kahn, World Federation of Trade Unions (WFTU); Mr. Woodcock, International Chamber of Commerce (ICC).

Secretariat: Mr. Weintraub, Secretary of the Commission; Mr. Varley, Assistant Secretary.

Draft report of the Commission to the Economic and Social Council (E/CN.1/L.17/Add. 1, E/CN.1/L.17/Add. 2, E/CN.1/L.17/Add. 3, E/CN.1/L.17/Add. 4) (continued).

## Paragraph 23 (continued)

Mr. WEINTRAUB (Secretary of the Commission) read paragraph 23 of the draft report as it had been amended at the previous meeting.

Paragraph 23, as amended, was adopted.

## Paragraph 24

Mr. STEINBOWER (United States of America) suggested that the words "to resolution XVII" should be replaced by "to resolution XVI and XVII."

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the end of the paragraph, from "and specifically draws" should be deleted.

Mr. BUNGE (Argentina) suggested as a compromise solution that the phrase which the U. S. S. R. representative wished to delete should be retained but that it should begin: "a majority of the members of the Commission specifically draws the Council's attention \* \* \*".

He felt that the Commission had been impressed particularly by the principles embodied in the resolutions of the 4th Meeting of Consultation of Ministers of Foreign Affairs of American States, and suggested therefore that the words "and the principles on which they are based" should be added after the words "in April 1951."

\* \* \* \* \*

[Page 7.]

Mr. WOLFSON (Canada) thought it would be better not to refer to the Export-Import Bank specifically, nor to make any recommendation to the Council in that connexion.

Mr. DAYRAS (France) observed that the main defect of recommendation 10 was that it seemed to imply that once an organization had been established

\* Alternates.

capital for investment with a view to economic development would automatically become available.

Taking into consideration various amendments submitted by Mr. WILSON (United Kingdom), Mr. STINEBOWER (United States of America) and Mr. WOLFSON (Canada), Mr. WEINTRAUB (*Secretary of the Commission*) suggested that the text should contain a special reference to capital from governmental sources; that part of the text which referred to the organization of foreign investment would be retained and would apply to public as well as private capital.

*Mr. Weintraub's proposal was adopted.*

#### Paragraph 27

Mr. DAYRAS (France) observed that, in general, it might be objected that the opening words of recommendation 11, subparagraph (a), did not call for bilateral action and took no account of the resources of the developed countries. For that reason, he proposed that the words "in particular," in the second line of paragraph 27, should be replaced by the phrase "not only take into consideration the possibilities of export of capital, but should have been addressed \* \* \*"

Mr. LANG (Yugoslavia) considered recommendation 11 to be unacceptable unless the necessity of strengthening the guarantees set forth in the Charter were emphasized.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) recalled that he had already commented in detail on subparagraphs (a), (b), and (c) of recommendation 11. His views had, accordingly, been reported in the summary records.

\* \* \* \* \*

#### [Page 9.]

The CHAIRMAN, speaking as the representative of Brazil, recalled his previous observations concerning the wisdom of safeguarding foreign investments. For that reason, he proposed that following the words "cannot create the climate," a phrase should be added to the effect that certain representatives had, nevertheless, expressed the view that capital exporting countries should take the initiative as regards measures to safeguard such foreign investments.

Mr. DAYRAS (France) did not think that the amendment suggested by the Chairman would serve any useful purpose unless it was accompanied by general remarks on the question of the provision of capital. The extent of the resources of the developed countries in that field should be taken into consideration.

Mr. WOLFSON (Canada) pointed out that the question raised by the representative of Brazil was a complex one and should be set forth in considerable detail. A brief statement might present the matter in the wrong light.

Mr. SAKSENA (India) supported the Chairman's view and proposed the following wording: "Some members of the Commission felt that foreign private capital would be greatly stimulated if the developed countries were to insure it against non-commercial risks."

Mr. DAYRAS (France) had no objection to the wording proposed by the representative of India; such measures would obviously facilitate a solution of the problem.

Mr. KATZ-SUCHY (Poland) *wondered whether capital should be thought of in terms of national boundaries. In reply to a comment by the Chairman, he observed that the concern manifested by some representatives to ensure the transfer of capital appeared to be inconsistent with any desire to constitute international reserves of capital.*

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) proposed that the words "The Commission \* \* \*" at the beginning of the paragraph should be replaced by the words "The majority of the members of the Commission \* \* \*" since his delegation did not share the view expressed in the paragraph. Further, he suggested that the last part of the last sentence, following the words "by the United Nations," should be replaced by the words "since the question dealt with in subparagraph (c) of that recommendation should be left entirely to bilateral negotiations."

Mr. LANG (Yugoslavia) proposed that the words "The Commission," in the first and third sentences of the paragraph, should be replaced by the words "The majority of the members of the Commission."

The Yugoslav amendment was adopted.

## Paragraph 28

Mr. LANG. (Yugoslavia) proposed that the words "in particular, through United Nations organizations" should be added in the fifth line, after the words "international capital."

Mr. BURY (Australia) said that that was a substantive amendment and asked to what organizations the Yugoslav representative was referring.

Mr. LANG (Yugoslavia) said that he had in mind existing organizations and organizations that might be set up in the future.

Mr. BURY (Australia) agreed to the amendment as it applied to existing organizations but was unable to accept the implication that special bodies would have to be set up.

Mr. WILSON (United Kingdom) remarked that the Commission was anticipating the succeeding paragraphs of the draft report. Paragraph 28 formed the preamble, in which a general picture of the Commission's views on group C of the experts' recommendations was presented. He suggested that the amendment should be discussed in connection with one of the succeeding paragraphs, which laid down the methods to be followed.

Mr. WOLBROUN (Belgium) supported the United Kingdom representative's view, adding that the majority of the Commission had unequivocally opposed the setting up of new international organizations for the financing of economic development.

Mr. BJERVE (Norway) proposed that the words "to the underdeveloped countries" should be inserted at the same point in the paragraph. The present text did not mention whether the flow of international capital was to be directed.

Mr. DAYRAS (France) agreed with the Belgian representative.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) considered that the first sentence exaggerated the part played by foreign capital. As he had already stressed, it was less the volume than the purpose of foreign investments that mattered. In exporting their capital, some countries were seeking, not to help the underdeveloped countries, but to establish economic domination.

He also proposed that the words "the majority of the Commission agrees" should be substituted for "the Commission agrees \* \* \*" in the first sentence. He would not press for his amendment to be put to the vote; it would suffice if his opinion was recorded in the summary record.

Mr. LANG (Yugoslavia) did not think the insertion of the phrase "in particular through United Nations organizations" implied that new bodies were needed. Much of the discussion in the Commission, had, in fact, turned on the way in which the contribution of international capital could be increased through United Nations bodies.

Mr. BURY (Australia) observed that the main thing was to speed up the flow of international capital investments to underdeveloped countries. There was no need for that paragraph to impose any restriction on the source of such capital. United Nations organizations could be mentioned in one of the following paragraphs, dealing with the sources of capital that should be called upon.

Mr. SAKSENA (India) said that, if the Commission wished, in the second sentence, to draw attention to certain weaknesses in the experts' report, it should be more specific. The sentence should be either amplified or omitted entirely.

Referring to the last sentence of the first paragraph, he considered that the opinion of members who had opposed the view expressed therein ought to be given in the report, and proposed the addition of the following sentence: "Other members pointed out, however, that this increased volume of foreign exchange has been obtained through the operation of factors which were not of a durable nature and that these earnings of foreign exchange could not be diverted to economic development purposes without strengthening inflationary pressures in the underdeveloped countries."

Mr. WILSON (United Kingdom) supported the first suggestion made by the Indian representative. He thought it would be useful to specify the omissions in the experts' report. Referring to the second line of the paragraph, he pointed out that the wording should be either "accelerated development" or "increase the rate of development."

Mr. GARCIA (Philippines), in reply to the Indian representative, would prefer the second sentence to be omitted entirely rather than that the omissions of which the experts were accused should be specified. To do that would weaken the paragraph as a whole.

He supported the Indian representative's second amendment.



Mr. WOULBROUN (Belgium) remarked that the last sentence of the paragraph contained a simple statement of fact. He failed to see any objection to its being supplemented by the Indian amendment.

(Mr. STINEBOWER (*United States of America*) was in favour of the proposed additions to paragraph 28. *He feared that the Yugoslav amendment might give the impression that the Commission did not wish to increase the flow of foreign investments from sources other than United Nations organizations.*

He proposed that the meaning of the last sentence of the paragraph should be made clearer by the addition of the words: "especially in relation to the supplies of capital equipment likely to be available in the near future."

Mr. WEINTRAUB (Secretary of the Commission) read out paragraph 28 with all the suggested amendments.

Mr. WOLFSON (*Canada*) said that *the Yugoslav amendment would not preclude recourse to sources of capital other than United Nations organizations, but that a casual reader might gain the impression that the Commission was chiefly advocating the use of the latter.* He accordingly asked the Yugoslav representative to withdraw his amendment, failing which he would propose that the words "international organizations" should be substituted for "United Nations organizations."

With reference to the Indian amendment to the second sentence, he would like the present wording of the paragraph to be retained, but would prefer the sentence to be amplified, rather than omitted.

Mr. DAYRAS (France) said that to adopt a form of words restricting possible sources of financing for economic development would be contrary to the general tenor of the report and to the recommendation that the Commission had adopted regarding the setting up in each country of a bank specially to deal with foreign credits.

Mr. LANG (Yugoslavia) explained that his amendment related to the title of the section containing paragraph 28: "Action by the United Nations and other international agencies."

Mr. WOLFSON (*Canada*) felt that in that case it would be better to say "through international agencies."

Mr. WILSON (United Kingdom) agreed that section C dealt with action to be taken by the United Nations and other international agencies. Paragraph 28, however, was a preamble which was intended to state the general theory that international investment in underdeveloped countries ought to be substantially increased.

Mr. LANG (Yugoslavia) repeated that the title of section C covered action both by the United Nations and by other international agencies. He had already pointed out that the agencies other than the United Nations and its organization had hitherto been more active. *That was why the future contribution by United Nations organizations should be stressed.*

Mr. WEINTRAUB (Secretary of the Commission) wondered whether the objections to the Yugoslav amendment might not be eliminated by deleting the words "in particular."

Mr. BURY (Australia) considered that that suggestion would make the sentence even less acceptable.

Mr. WOULBROUN (Belgium) pointed out that private capital was also needed for the economic development of underdeveloped countries. Accordingly, it would not help those countries to restrict the source of capital to international organizations.

Mr. LANG (Yugoslavia) observed that the contribution of private capital had been studied under a different heading. The paragraph under consideration dealt with international organs.

Mr. BURY (Australia) said that underdeveloped countries might receive financial assistance for their economic development from international sources other than United Nations organs.

Mr. WEINTRAUB (Secretary of the Commission) suggested that the question should be left in abeyance for the time being, and read out the text of the paragraph as amended so far.

Mr. WOLFSON (Canada) recalled that he had opposed the deletion of the second sentence.

The CHAIRMAN, speaking as the representative of Brazil, supported the Canadian representative's view, and thought that the second sentence should indicate the methods to be applied by underdeveloped countries with a view to ensuring effective utilization of foreign capital.

Mr. BJERVE (Norway) proposed that the second part of paragraph 28 should begin with the words "Some members felt that \* \* \*."

## UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

General  
E/CN.1/SR.132  
20 June 1951  
English  
Original: French

## ECONOMIC, EMPLOYMENT AND DEVELOPMENT COMMISSION

## SUMMARY RECORD OF THE HUNDRED AND THIRTY-SECOND MEETING

Held at Headquarters, New York, on Monday, 4 June 1951, at 2:30 p. m.

## CONTENTS:

Draft report of the Commission to the Economic and Social Council (E/CN.1/L.20, E/CN.1/L.20/Add.1 and E/CN.1/L.20/Add.2) (continued).

Chairman: Mr. Nunes Guimaraes, Brazil.

Members: Mr. Bunge, Argentina; Mr. Bury,\* Australia; Mr. Woulbroun,\* Belgium; Mr. Wolfson,\* Canada; Mr. Cha,\* China; Mr. Nosek,\* Czechoslovakia; Mr. Dayras,\* France; Mr. Saksena, India; Mr. Garcia, Philippines; Mr. Szymanowski,\* Poland; Mr. Chernyshev, Union of Soviet Socialist Republics; Mr. Wilson,\* United Kingdom of Great Britain and Northern Ireland; Mr. Stinebower, United States of America; Mr. Lang, Yugoslavia.

Representative of a specialized agency: Miss Banos, Food and Agriculture Organization (FAO).

Representatives of nongovernmental organizations—Category A: Miss Kahn, World Federation of Trade Unions (WFTU). Category B: Miss Sansom, International Chamber of Commerce (ICC); Mr. Brophy, International Confederation of Free Trade Unions (ICFTU).

Secretariat: Mr. Weintraub, Secretary of the Commission.

Draft report of the Commission to the Economic and Social Council (E/CN.1/L.20, E/CN.1/L.20/Add.1 and E/CN.1/L.20/Add.2) (continued).

## Paragraph 22 (E/CN.1/L.20/Add.1)

Mr. WILSON (United Kingdom) suggested that the first sentence of paragraph 22, which he considered unsatisfactory should be amended by placing a full stop after the word "indivisibility" and deleting the rest of the sentence.

Mr. CHA (China) thought that the second sentence in paragraph 22 as it stood emphasized that the underdeveloped countries agreed that the developed countries must maintain a high level of economic activity and employment. It should also be made clear, however, that the underdeveloped countries must also maintain a high level of employment, and the sentence should therefore be changed.

Mr. WOLFSON (Canada) said that the paragraph would become meaningless if the underdeveloped countries were mentioned. The present form of words merely meant that only developed countries whose economic activity was maintained at a high and stable level could effectively help the underdeveloped countries. It was too readily assumed that the developed countries could assist the underdeveloped countries regardless of their economic condition.

\* \* \* \* \*

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## [Re] Paragraph 26

Mr. LANG (Yugoslavia) proposed that the following sentence should be added after the words "appreciably accelerated" in line 8: "it is the view of the Commission that attention should be paid to the study of augmenting the international flow of capital through United Nations agencies." The words in parentheses would then be deleted.

Mr. WOLFSON (Canada) proposed the formula "through United Nations specialized agencies" in order to eliminate any ambiguity. The formula proposed by Mr. LANG would automatically imply the International Bank.

Mr. WEINTRAUB (Secretary of the Commission) proposed the formula "through international organizations of the United Nations."

\*Alternate.

Mr. GARCIA (Philippines) proposed that the word "public" should be inserted before the word "capital" in line 5.

Mr. WOLFSON (Canada) proposed the deletion of the word "international" which occurred at a later point in the text.

Mr. WILSON (United Kingdom) did not find the Philippine representative's suggestion satisfactory because it contradicted subsequent paragraphs. What mattered most was to increase the flow of private capital.

Mr. GARCIA (Philippines) said that he would not press his proposal.

Mr. WOLFSON (Canada) said that there should be an amendment to the clause "that this increased volume of foreign exchange has been obtained through the operation of factors \* \* \* in the underdeveloped countries."

\* \* \* \* \*

[Page 10.]

After a brief discussion in which Mr. WOLFSON (Canada), Mr. SAKSENA (India), Mr. LANG (Yugoslavia) and Mr. STINEBOWER (United States of America) took part, the Commission decided not to consider the following proposals: (a) the Australian representative's proposals; (b) the United Kingdom representative's proposal for the insertion of a preamble at the beginning of paragraph 32, and (c) the Canadian representative's proposal for the insertion in paragraph 32 of a clause indicating that some members had considered that the question dealt with in paragraph 32 had been sufficiently discussed in the Commission.

Mr. WEINTRAUB (*Secretary of the Commission*) drew attention to the Council's procedure in considering recommendations in the reports of its Commissions. The Council considered itself seized of any recommendation submitted in those reports unless it was stipulated that a recommendation was submitted by the minority, in which case the Council gave it no consideration.

Mr. WOLFSON (Canada) said that in the circumstances he would accept the Indian representative's proposal.

Mr. WILSON (United Kingdom) proposed that the words "were of the opinion" should be substituted for the words "were of the view", at the beginning of paragraph 32.

Mr. WEINTRAUB (*Secretary of the Commission*) proposed that the word "payment," in line 16 (page 2) should be replaced by the word "payments." The amended text of paragraph 32 would then read: "Some members of the Commission, who dissented from the majority views contained in paragraph 31 above, were of the opinion that the Council's desire expressed in paragraph 3 of its resolution 341 (XII) to consider practical methods in conditions and policies for improving or augmenting the existing sources of external finance, both private and public, with a view to achieving an adequate expansion and a steadier \* \* \*

\* \* \* \* \*

[Page 17.]

Mr. WILSON (United Kingdom) noted that the problem was of very great importance and that all the members of the Commission but three were agreed in recognizing the existence of the inter-relationship. As the Population Commission was not at present dealing with it and the Council was currently contemplating a reorganization of the work of its Commissions the problem should be brought to the Council's attention.

The CHAIRMAN put the U. S. S. R. representative's proposal to the vote.

The U. S. S. R. proposal was rejected by 7 votes to 4, with 4 abstentions.

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) accordingly asked that the words "the majority of the Commission" should be substituted for "the Commission" in paragraph 21.

Mr. STINEBOWER (United States of America) suggested that a statement should be inserted after the first sentence in the paragraph, to replace the remainder of its original text, to the effect that the Commission was unable to make specific recommendations on the subject, but recommended that the Council and the Population Commission should study it.

Mr. WOLFSON (Canada) considering that the wording proposed by the United States representative could be adopted only if the Population Commission was already dealing with the matter. If that was not so the Council should be asked to invite the Population Commission to study the problem.

Mr. WOLBROUN (Belgium) found the wording proposed by the United States representative adequate. He read an extract from the Population Commission's report, making reference to both demographic and economic factors.



Mr. WEINTRAUB (*Secretary of the Commission*) quoted a draft resolution from the report of the Population Commission to the thirteenth session of the Economic and Social Council, in which reference was made to the inter-relationship of economic, social and demographic factors.

Mr. WOLFSON (Canada) thought that the studies of the matter contemplated by the Population Commission were merely theoretical and had no direct connection with what the Commission was discussing. The Council should invite the Population Commission or other appropriate bodies to carry out more detailed studies.

The Commission adopted the text proposed by the United States representative, with amendments, reading as follows:

"The Commission is unable to make any specific recommendation on this subject. However, the majority of the Commission considers that the Council, itself or through such organs as it may specify, should keep the relationship between population growth and economic development under study as a matter of importance."

*Paragraphs 33 to 35 (E/CN. 1/L. 20/Add. 2)*

Paragraphs 33 to 35 were adopted.

*Paragraph 26 (continued) (E/CN. 1/L. 20/Add. 1)*

Mr. Weintraub (*Secretary of the Commission*) announced that the Secretariat had drafted a text which he read; it was supported by the representatives of Brazil, India and the United Kingdom.

Mr. STINEBOWER (*United States of America*), while he could not object to a text stating only the opinions of other representatives, he wished to have it noted in the summary record that, in his opinion, the text contained economic inaccuracies and impaired the quality of the report.

Mr. WOLFSON (Canada) shared the United States representative's opinion. He considered the text faulty both in substance and in form.

Mr. SAKSEMA (India) agreed with the United States representative's criticisms and suggested adoption of the amendment previously submitted by the United Kingdom representative—his approval of which he had already signified.

The Commission adopted the text proposed by the United Kingdom representative, with a number of drafting amendments, to the following effect:

"That these earnings of foreign exchange, if directed to economic development purposes, might aggravate domestic inflation in underdeveloped countries."

*Adoption of the report as a whole*

Mr. CHERNYSHEV (Union of Soviet Socialist Republics) wished to state, before the vote was taken on the report as a whole, that the report of the Group of Experts which the Commission had been considering was a harmful document and could not serve as basis for a thorough consideration of the problem of economic development; the U. S. S. R. delegation had already expressed its view on the subject at the meeting of 17 May. The Commission's report which was based on the report of the Group of Experts, advised the underdeveloped countries without justification to make use of foreign capital rather than of their domestic resources. Some statements in the Commission's report were even stronger than the recommendations of the Group of Experts, in particular the statements concerning land tenure adopted at the morning meeting. The U. S. S. R. delegation would therefore be compelled to vote against the report.

Mr. NOSEK (Czechoslovakia) also wished to explain his delegation's attitude toward the Commission's report. The Czechoslovakia delegation had already stated its objections to certain recommendations of the Group of Experts during the discussion of items 3 and 4 of the agenda. Since the Commission's report repeated the basic recommendations of the Group of Experts, his delegation was compelled to vote against it.

Mr. SZYMANOSKY (Poland) agreed with the U. S. S. R. and Czechoslovak representatives. The Commission had the important function of drawing the Council's attention to means of promoting economic development. The Commission's report, however, endorsed the ideas of the Group of Experts to which the Polish delegation had already taken exception. The Polish delegation would accordingly have to vote against the Commission's report.

Mr. SAKSEMA (India), speaking on a point of order, observed that the members of the Commission were not being asked to approve the recommendations of the Group of Experts by their votes, but merely the Commission's report, con-

taining a summary of the discussions that had taken place in the Commission and their outcome.

The CHAIRMAN, speaking as representative of Brazil, asked for his view to be recorded in the summary record that the report of the Group of Experts was a valuable contribution to the study of the basic problem of economic development. The report covered all important aspects of the problem. Undoubtedly it had faults, but they were slight in comparison to its very real qualities. He paid a tribute to the Experts, and to the Secretary General who had chosen them, and declared that the report would form the basis for future detailed studies.

He put the Commission's report as a whole to the vote.

The report was adopted by 12 votes to 3.

Before adjourning the meeting and closing the session, which might be the Commission's last, the CHAIRMAN thanked the representatives for their collaboration and observed that, whatever its fate, the report would testify to the spirit of cooperation that had prevailed in the Commission. *He also thanked the representatives of the specialized agencies and the nongovernmental organizations, and the Secretariat, in particular Mr. Weintraub, the Secretary of the Commission, for their valuable collaboration.*

Mr. WOLFSON (Canada), on behalf of the Commission, thanked the Chairman and the other officers of the Commission and the Secretariat.

The CHAIRMAN proposed that he should send messages, in the name of the Commission, to its past Chairmen, Mr. Wilson and Mr. Frisch.

The meeting rose at 6:30 p. m.

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[Excerpt from article, "Assembly Acts To Further Economic Development," in United Nations Bulletin of December 1, 1950, p. 605]

### 1. NEED FOR LAND REFORMS

Measures to hasten agricultural progress in underdeveloped countries are dealt with in two resolutions which the General Assembly adopted. The first calls for study and recommendations by the Economic and Social Council to reform agrarian conditions, particularly land tenure systems, which hinder the economic development of many underdeveloped countries. In planning such measures, Member countries, the resolution recommends, might avail themselves of expert advice through the expanded technical assistance program.

The second resolution calls on the Council to consider measures to facilitate and encourage the development of arid lands.

The resolutions resulted from the discussion in the Second Committee of a Polish proposal and the various amendments suggested by Argentina, Chile, Colombia, Cuba, Egypt, Haiti, Peru, the United Kingdom, the United States, and Yugoslavia.

#### POLISH PROPOSAL

Because "anachronistic agrarian conditions" are a barrier to the development of economically backward areas, a cause of low agricultural productivity and low living standards, Poland proposed that the Council should, at its thirteenth session and on the basis of a report to be prepared by the Secretary General, draw up recommendations for improving the conditions of "landless, small and middle peasants" by: (a) land reforms; (b) governmental aid through cheap agricultural credit facilities and comprehensive technical assistance; (c) construction of small factories and workshops for making and repairing essential agricultural machinery, equipment and spare parts; (d) easing the tax burden; and (e) other welfare measures.

Many of the representatives agreed on the need for agrarian reform, especially of land tenure systems.

John J. Sparkman, for instance, said that the United States supported the principle that land should belong to those who cultivated it. Accordingly, he proposed a number of amendments to promote family owned and operated farms and the development of rural cooperatives \* \* \*.

#### STUDY OF ARID ZONES

In Egypt, for instance, as in many other countries in Asia, Africa, and Latin America, low rural living standards were often due rather to the low acreage under cultivation. Wherever possible, therefore, the arid zones of these areas

should be brought under cultivation. This would provide more land for more equitable distribution among peasants \* \* \*.

#### FINDINGS PREJUDGED

The representatives of Belgium, the Netherlands, and the United Kingdom thought the Polish proposal prejudged the findings of the investigation it called for, although they agreed that land reforms were important.

Lord Ogmores, of the United Kingdom, also had some doubts about the motives behind the Polish proposal. In a recent statement, the Polish Minister of National Economy, had criticized Polish peasants for refusing to migrate to towns to enter industries there; he had favored the collective organization of agriculture, and had stated that rural capitalist elements would be "liquidated." Was it the intention to offer the same fate for cultivators in underdeveloped regions?

The United Kingdom, like the United States, also felt that the Polish proposal should have provided for participation by the Food and Agriculture Organization in the work on agrarian reforms. Lord Ogmores agreed with the representatives of Canada and South Africa, that the proposal, by calling for more reports, would delay immediate action.

He therefore proposed that the Economic and Social Council act in consultation with FAO and other specialized agencies concerned, to provide governments of underdeveloped countries with expert advice: (a) for developing reform plans; (b) for rendering financial aid to farmers through agricultural credit facilities; (c) for constructing workshops to repair and service agricultural machinery; and (d) for other measures to promote the welfare of agricultural communities.

By this amendment, the Secretary General would not be required to report to the Council on the effect of agrarian structures on conditions of landless, small and middle peasants in economically backward countries.

Another point, made by the United States representatives, among others, was that there would not be sufficient time to prepare the study proposed by Poland for the thirteenth session of the Council. The matter should therefore be taken up at the fourteenth session.

#### REPLY TO CRITICISMS

Replying to Lord Ogmores's criticism of Polish intentions, Mieczyslaw Blusztajn said that the agrarian reforms undertaken in Poland after the war had not resulted in "liquidation" but in liberating the creative forces of peasants and creating an internal market for industrial products. Cheaper and better food had been produced for the urban population and the output of agricultural raw materials had risen. Because, however, small-holdings could not increase such output sufficiently to meet the demands of large-scale industrialization, co-operative farming was needed. But this did not mean imposing reforms on peasants. Persuasion through demonstration was necessary, and cooperative farming ventures in Poland had been a great success as pilot projects.

While he agreed that a system of small farmers might not be the ideal one, added Mr. Blusztajn, he did not believe that a standard solution could be imposed indiscriminately.

No one was proposing to change any country's way of life, said P. M. Chernyshev (U. S. S. R.), who thought the United Kingdom was trying to divert attention from the need for prompt action on a vital problem.

*As for the role of the FAO, the whole matter before the Committee was one which concerned economic development. This was not, therefore a matter to be referred to FAO, competent though this agency was in its field. To do so would mean placing limitations upon the powers of the Economic and Social Council.*

*The invitation, dated March 30, 1943, which the United States sent to Allied Governments to ask them to attend the Hot Springs, Va., Conference on Food and Agriculture (which established FAO) opens as follows: "The Government of the United States of America is of the opinion that it is desirable now for the United Nations and those nations which are associated with them in this war to begin joint consideration of the basic economic problems with which they and the world will be confronted after complete military victory shall have been attained. Accordingly, and as a first step in this direction, the Government of the United States proposed to convene \* \* \* a conference on food and other essential agricultural products, and hereby invites \* \* \**



*The preamble of FAO's Constitution reads: "The Nations accepting this Constitution, being determined to promote the common welfare by furthering separate and collective action on their part for the purpose of \* \* \* and thus contributing toward an expanding world economy."*

*Article I of FAO's constitution reads, in part: "The Organization (FAO) shall promote and, where appropriate, shall recommend national and international action with respect to (a) scientific, technological, social and economic research relating to nutrition, food and agriculture \* \* \* (e) the adoption of policies for the provision of adequate agricultural credit, national and international \* \* \*. (a) to furnish such technical assistance as governments may request."*

Eventually, the Committee decided to refer the Polish proposal, together with the various amendments to a subcommittee.

Two draft resolutions were evolved. One dealing with the agrarian reforms especially in land tenure systems, was approved by the Committee by 50 votes to 0, with 1 abstention. The other, dealing with the development of arid lands, was adopted unanimously, after one change was made in Committee.

\* \* \*

David Weintraub served as Secretariat adviser to the Committee in its discussion on development of arid lands.

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#### UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL

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#### Sixteenth Session

#### TECHNICAL ASSISTANCE COMMITTEE

#### SUMMARY RECORD OF THE FIFTY-SEVENTH MEETING

Held at Headquarters, New York on Wednesday, 25 November 1953, at 10:30 a. m.

#### CONTENTS:

Technical assistance: Financial arrangements for the Expanded Programme of Technical Assistance (E/TAC/23, L.51 to L.53).

#### PRESENT:

Chairman: Mr. de Seynes, France.

Members: Mr. Brennan, Australia; Mr. Woulbroun, Belgium; Mr. Cha, China; Mr. Gorse, France; Mr. Singh, India; Mr. Blusztajn, Poland; Mr. Westerberg, Sweden; Mr. Akant, Turkey; Mr. Rassadin, Union of Soviet Socialist Republics; Mr. Barnes, United Kingdom of Great Britain and Northern Ireland; Mr. Kotschnig, United States of America; Mr. Alvarado, Venezuela; Mr. Stanovnik, Yugoslavia.

Representatives of specialized agencies: Mr. Roux, International Labour Organization; Miss Banos, Food and Agriculture Organization; Mrs. Rommel, United Nations Educational, Scientific and Cultural Organization; Dr. Coigny, World Health Organization.

Secretariat: Mr. Owen, Executive Chairman, Technical Assistance Board; Mr. Dumontet, Secretary of the Committee.

Technical assistance: Financial arrangements for the expanded programme of technical assistance (E/TAC/23, L. 51 to L. 53).

The CHAIRMAN recalled the provisions of Economic and Social Council resolution 492 (XVI), part C (II) C, paragraph 7, under which the Technical Assistance Committee was requested to submit recommendations on the financial procedures under which the Expanded Programme of Technical Assistance operated. The recommendations were to be submitted to the Economic and Social Council at its resumed session scheduled for Monday, 30 November 1953. The Working Party responsible for reviewing the financial procedures under which the Expanded Programme of Technical Assistance operated had presented an interim report (E/TAC/23). He declared open the discussion on the report.

Mr. KOTSCHNIG (United States of America) said that the United States sincerely hoped that the Technical Assistance Board, on the basis of the Working Party's discussions, would soon be able to make specific recommendations to ensure that the best possible financial arrangements would be made for the Expanded Programme. He expected that the Technical Assistance Board would act promptly on the suggestions submitted to the Working Party in that connection which were designed to give stability to the programme and to avoid recurrent crises.

One of the most important questions still to be settled was that of allocations for new programmes. He assumed that the Technical Assistance Board, in deciding on the implementation of new programmes in 1954, would take care not to commit all the funds theoretically available and would set part of them aside for the continuation in 1955 of the work undertaken in 1954.

His delegation would support the Working Party's interim report, but wondered in what form the Technical Assistance Committee would submit it to the Economic and Social Council.

The CHAIRMAN said that two procedures were possible: the Committee could authorize its Chairman to submit an oral report to the Council to explain the reasons why the TAC had been unable to make recommendations at the current session; or the Committee could approve the Working Party's interim report and make such minor drafting changes as would in that case be necessary.

Mr. BRENNAN (Australia) wished to bring to the attention of the Technical Assistance Committee a matter which he had already raised in the Working Party and to which his delegation attached primary importance. His delegation was deeply interested in the Expanded Programme of Technical Assistance not only because it contributed to the economic development of the underdeveloped countries but also because it symbolized to some extent the desire of the United Nations to play a part in their development. It must not, however, be forgotten that assistance under the Programme was granted on the application of governments and after an agreement had been concluded between the government concerned and the international agencies. It was especially important for the agreement in question to be executed according to the terms and within the time specified, unless of course the agreement had been amended subsequent to negotiation between the two parties. The financial arrangements adopted must be such that it would be mathematically impossible not to complete a project for want of funds. On various occasions it had been necessary to change the time limits or actual parts of the programme, and his delegation hoped that that would not happen again. The Technical Assistance Board should give the matter very special, if not absolute, priority. Any negligence in that respect might create a bad impression concerning the Expanded Programme.

The CHAIRMAN proposed that, subject to the approval of the Committee members, he should make an oral report to the Council to inform it that the Working Party had submitted no concrete proposal to the Committee on the financial arrangements to be adopted, but that it hoped to be able to make recommendations in the matter later.

It was so agreed.

Mr. RASSADIN (*Union of Soviet Socialist Republics*) recalled and stressed his Government's attitude towards the use of the funds. The Special Fund, established by contributions from Member States, should be used directly by the United Nations and not through the specialized agencies.

The meeting rose at 11:10 a. m.

#### FAO MEMBER COUNTRIES WHICH ARE NOT MEMBERS OF THE UNITED NATIONS

German Federal Republic  
Japan  
Korea  
Switzerland  
Viet Nam  
Tunisia

(8½ percent are not members of the U. N.)

## UNITED NATIONS MEMBER COUNTRIES WHICH ARE NOT MEMBERS OF FAO

Albania  
 Bulgaria  
 Byelorussian Soviet Socialist Republic  
 China  
 Czechoslovakia  
 Hungary  
 Poland  
 Romania  
 Ukrainian Soviet Socialist Republic  
 Union of Soviet Socialist Republics

(13½ percent are not members of FAO.)

MARCH 1956.

MR. MORRIS. I would like also to put into the record a letter of March 24, 1949, which again bears reference to the role of David Weintraub in the establishment of this particular project.

Senator JENNER. It may go into record and become a part of the official record.

(The document referred to was marked "Exhibit No. 307" and is as follows:)

EXHIBIT No. 307

MARCH 24, 1949.

In reply refere to UNE.

[Confidential]

MR. KARL OLSEN,

*Food and Agriculture Organization of the United Nations,  
 1201 Connecticut Avenue NW.*

DEAR KARL: I want to thank you, Mr. McDougall, and the members of the technical divisions of FAO for the help that they have given us in making available suggestions concerning possible expanded programs of technical assistance under the "bold new program" indicated in point IV of President Truman's speech. As indicated to you orally, these suggestions are being used by us as a guide to some of our planning, but it is thoroughly understood that the projects, as you submitted them to us and as we rewrote them, commit neither you nor us at this stage. Because they do, however, constitute the only working papers that we have available at the moment on the work of FAO in relation to point IV, we are trying to see that the projects are as well defined as possible and we want to keep them on hand for use as possible examples from time to time.

I thought it might help you in planning if I passed on to you a number of comments concerning these projects which have been made in the course of our discussions at the working level. I am sure you will understand that in passing these comments on to you I am not indicating in any way the official endorsement of this Government regarding them, nor am I suggesting that you need necessarily follow them. You might, however, find some of these comments interesting and helpful in your planning for the ACC report.

#### 1. GENERAL

With reference to Mr. McDougall's letter, we are taking note of his observations particularly with reference to the "A-2 items" which were included in our book as joint U. N./FAO projects. Since our book is not definitive, I am not pressing at this time to get a decision regarding the location of these particular projects in the U. N. scheme of things, but Mr. McDougall's notes will give us some indication of the line which you are likely to follow in the ACC.

Later we shall, of course, hope to have a more definitive view as to the criteria to be applied for setting up joint projects as against separate specialized agency projects. In fact, the whole question as to the U. N.-specialized agency relationship is naturally one which will occupy a considerable amount of ACC attention and we hope that a formula will be agreed upon which will be mutually satisfactory to everyone concerned. Meanwhile, I might say that what prompted the inclusion of all the pilot projects in the A-2 section was, that although these proj-



ects are strictly agricultural technology in the immediate phase of operation, it was felt that they should be set up and established in relationship to other broad economic development programs. It was our thinking, therefore, that while the operation of these plants probably would be exclusively FAO in the beginning stages, the decision as to their location, the ultimate economic effects of them, and related economic services such as transportation, marketing, or industrial development, should all be taken into account in the early planning stages. *You will be studying this matter further with Mr. Weintraub and so will we.*

With reference to the FAO projects, I think that the most general comment that I have heard is that they do not at this stage show any overall integration into a common program. Questions have been raised in particular about the number of rather small projects since it is felt that they in themselves could accomplish very little unless they are a part of a larger enterprise. Also, the descriptions of a number of the projects still do not indicate sufficiently the extent to which the work of a number of different divisions would be involved. For example, although the programs in dairy production, agricultural machinery, land use and water control, etc. are primarily in the field of technical agriculture, they also have very definite economic implications and the economic factors of programs of this kind should be fully taken into account throughout the entire program. In these, as well as in many other programs, the nutritional objective should also be fully recognized by the inclusion of nutritionists in the particular operation. It is believed, therefore, that when you come to do your draft program for the ACC you will want to concentrate on a few major, large programs which may include a number of smaller operations under one tent. It is assumed also that these programs will be developed in such a way that they show a complete recognition of economic and nutritional factors as well as technical factors involved.

## 2. SPECIFIC

There are some projects on which some specific comments have been made in which you might be interested. I am attaching a paper by Dr. Hazel Stiebling which concerns a number of projects in which she considers there should be a provision for nutritional work. Also, joint projects A-2-e (iv), A-2-e (vi) and A-2-e (vii) do have some elements of overlapping, partly because they were written by different organizations. Whenever you have a redraft of these items that you would care to give to us, we would be glad to include them in our background material as more representative of your thinking than the present descriptions.

Questions have been specifically asked about projects B-2-e (i), forest fire control, and B-1-c (iii), forestry schools. It has been pointed out that these are extremely small and it is wondered how effective such a program can be over such a short time and for such small sums of money. At your convenience, you might be willing to provide us with an expanded writeup of these projects indicating what could be accomplished in the time suggested and what the nature of the followup would have to be in order to secure concrete results. A question was also raised about A-2-1, transportation systems for timber extraction. The question was raised as to whether this is a matter which requires particular technical assistance or whether it is one which depends upon capital development for transportation in general, of which a byproduct would be the building of branch lines for timber. A more complete description of this project might help to answer these questions.

Projects concerned with water utilization are very troublesome and difficult to write up. It is recognized in our own Government that a part of this problem is the direct responsibility of agriculture and forestry, but you also have a larger problem of irrigation, flood control, and power development which, in our case, is handled by the Bureau of Reclamation or Army engineers. In the case of the U. N. organizations, it is clear that FAO has competence in a portion of this field but the U. N. is also planning to promote resource development programs and large-scale irrigation and flood-control projects to the extent that these can be promoted by the extension of technical cooperation. It is suggested that you may want to pay particular attention to the writeup of FAO's work in this field, explaining even more clearly than is now done in projects B-2-b (i) and B-2-b (iii) FAO's particular work in this field. This is a subject in which it is assumed you will have some consultations with Weintraub with regard to the broad joint programs in which FAO might be expected to participate.

The question of the relationship between the agricultural statistics training schools described in B-2-a (ii), with the broader statistical work to be promoted by the U. N., has also caused us some difficulty. Fortunately, so far as

this Government is concerned, Mr. Stuart Rice in the Budget Bureau is thoroughly familiar with the international aspects of this problem as well as the United States Government programs and will undoubtedly assist us in making an appropriate presentation of the various segments of the U. N. organizations' programs in the statistical field. However, since these schools of FAO are considered to be one of your major successful projects, it is felt that it would be very useful to have a rather detailed description available as to the exact way in which such a school is organized and operated. We do not want to burden your staff excessively but if there is available a detailed report concerning either the Baghdad or Mexico City school, indicating the kinds of people who came, the curriculum which was offered, the numbers of people involved, and the followup work, it would be much appreciated.

Personally, I am not satisfied with the writeup of B-1-a, improvement of government agricultural services. This is really the objective of all of the work of the organization and I do not know whether it lends itself to a separate budgetary item. If this item was intended to mean primarily educational advisory services (extension) then I think it should have been so described and it should be made clear how this service would operate in relation to the other substantive programs. You will probably remember that the United States delegation pushed very hard at the last conference to have extension or educational advisory services carried on by FAO, not just in one division, such as Agriculture, but from a central office which should service the entire organization. We are aware of the fact that this is a most difficult type of activity to organize since you must have people who have a genuine understanding of educational methods and who have an appreciation of the social and economic backgrounds of the different areas of the world concerned. It is my impression that there is considerable disappointment that to date FAO has not pulled together its educational advisory services into one central place in order to assist governments to do this essential job. Whether item B-1-a should cover solely this program or whether you should set it up in another place from a budgetary point of view, I do not know, but I am flagging the problem for you as one on which a good many people have commented.

Item A-2-o, food production in connection with the WHO malaria program, is another troublesome item. We are aware of the fact that WHO has earmarked some \$4,500,000 for its part in this program and presumably FAO will be expected to develop a matching program of comparable size. Frankly, a good many of us cannot see where either organization, and most especially FAO, can possibly organize an effective program in 1 year on such magnitude. Just the recruitment problem alone is enormous and in the case of FAO you certainly will have to make various basic surveys and do a lot of preliminary planning. Moreover, the job is bigger than just FAO/WHO which is why we placed the item as a joint project. Supposing you do eliminate malaria, who is going to build schools for the children, get railroads, sanitation, and sewage systems developed, get industries started which will employ the nonagricultural parts of the population and furnish markets for the food that FAO is going to get produced? It seems to us that this is a very important but a very long-term program and that it would be much wiser to budget on a very modest basis the first year, allowing plenty of time for surveys and planning for all segments of the economy and expanding over a period of years as new and different operations are required. This, of course, is something you will be discussing with WHO and U. N. and the views I have expressed reflect only personal comments rather than official observations.

There are numerous other comments that could be made about specific projects but I might mention that at the present writing it would appear that the ratio of technical agriculture now appears to be too high in relation particularly to nutrition and economics. It would seem advisable to take a look at these programs from an overall point of view and make sure, as Dr. Stiebling has suggested, that nutrition work is adequately covered in each case and also that the necessary economic analyses and surveys are provided in connection with all technical agricultural activities. Otherwise, technical development might outrun economic development at such a rate that the result might be positively harmful. We have also had a recommendation from one of the United States departments that the Crop Reporting Service be included as an integral part of economics and statistics program of FAO.

### 3. ADMINISTRATIVE PROBLEMS

There are, of course, many points which you will be covering under sections II and III of the Economic and Social Council's Resolution, including the fundamental questions of financing, organization of the program, and relationship

between the various U. N. organizations. There are 1 or 2 general problems which we find we have to work on and I mention them to you, since you might find it useful also to be prepared on them for your discussions with ACC and later with governments. These are:

*Manpower.*—It has been pointed out, both in FAO meetings and within our Government, that in many cases the bottleneck is manpower and not money. It is suggested that as a part of your budgeting for all projects you should try to get as clear an idea as possible of the number of the people needed and the sources from which you expect to get them. In this connection, you may wish to begin the development of a roster of sources of personnel, including not only Governments but private scientific and business groups, from which technicians could be secured. Having this information at hand might serve you in very good stead when you come to definite program proposals. You will, of course, need to draw upon experts from a number of different countries. Perhaps a joint survey by the U. N. organizations would be better than a series of separate ones by each specialized agency, but that is a matter which you will know more about than I do.

*Responsibilities assumed by Governments.*—You will doubtless be developing for your own use, and perhaps for common approval by ACC, certain criteria and procedures to be used in connection with the commitments to be made by recipient Governments. In this connection, Mr. Caceres has already supplied us with some useful information concerning the financial arrangements for the FAO missions to Poland, Siam, Greece, etc. I believe you will find that procedures of this kind will need to be thought out in advance in considerable detail if the spirit of Mr. Thorp's speech and the letter of the ECOSOC resolution is to be carried out successfully.

*Comparative value of different methods.*—We have found it necessary to make quick spot checks of the experience of international organizations and United States agencies in connection with different kinds of technical assistance, such as missions, consultants, short training courses, fellowships, etc. You may find it very useful also to gather all the information you can since you may need to arrive at certain criteria as to the types of methods to be used under particular circumstances. In this connection, you will probably find it particularly helpful to study and describe the kinds of followup that you consider necessary in order to carry any given project through to completion. This element of followup is one that is of great interest to our technical people and also to budgetary officers who do not like to see money appropriated for a lot of scattered enterprises which appear to have no evidence of followthrough.

*Priorities.*—In conclusion, I might mention that our old friend "priorities" is still with us and will, I believe, play a considerable part in the thinking of the Governments which will have to decide what kinds of programs to authorize. FAO made a good beginning at the conference in setting up some standards for priorities and it would seem to me that you would find it useful to evaluate each of your proposed projects in the light of FAO's total effort and also in relation to general economic development. Practically everything that has been suggested is undoubtedly useful and needs to be performed some time, but it is possible that some items are firsts. To the extent that you can show that you have put first things first, I believe you will stand the best chance of justifying your program both in ACC and with Government.

I hope that you will accept this letter as purely an effort to point out to you some of the questions which I have seen personally during the last few weeks in working over some of these materials and some of the questions which we have had to answer for internal purposes in our planning. As I indicated earlier, this is not an official letter to you from the United States Government and you are free to use or discard any of these suggestions as you see fit.

We shall look forward to exchanging further ideas with you as plans develop and will be glad at any time to furnish such information as we are free to do that might be helpful to you.

Sincerely yours,

URSULA DUFFUS,

*Division of United Nations Economic and Social Affairs.*

Enclosure: Paper by Dr. Stiebling.

P. S. There are two items which I forgot to include in the letter.

*Fisheries.*—I have heard no adverse comments at all about the proposed fisheries program. The financial estimates are noticeably very small. It is wondered



whether this is primarily because of conservative budgeting policy—a policy which the United States Government does not object to—or whether it arises from the fact that there is such a shortage of fisheries personnel that it is not possible to expand very rapidly in this field at the present time. It is assumed that the shortage of personnel does constitute a very serious handicap in this field and it might, therefore, be advisable for you to plan a relatively conservative fisheries program in the first year but to plan for a more rapid expansion if and when more trained people can become available to carry out an expanded program of technical cooperation and advisory services.

*Administrative costs.*—Our figures in the book admittedly do not give a clear picture of the items the figures are intended to cover. Since we are not using our book for purposes of exact budget justifications, we have not tried to break down all these items into all the fine elements of a budget. In general, the item which we marked “administrative” was supposed to cover the basic “housekeeping costs” of an expanded program such as additional personnel and clerical services, bookkeeping and financial administration, travel services, stationery, cables, etc. We have not actually budgeted items such as income tax reimbursement, installation costs, and allowances which FAO might have to pay to personnel taken on the payroll for a period of a year. We have definitely omitted from our calculations any expenditures for per diem and travel within countries and for local expenses which could be paid in local currencies since we feel these items should be covered by the recipient Governments. For budget purposes, you might need to show amounts of these items in the total cost of the project and at the same time indicate the portion of the expenses that you would expect to have covered by the local government and by the organization. Our figure for administration, then, covering as it does only “housekeeping expenses,” was estimated at about 5 percent of the total. This was considered by some to be a fair figure since it is the earnest hope of people working on this program that the strictly administrative costs can be kept to a minimum and that the existing establishment will become increasingly efficient and absorb some of these costs through streamlining operations.

In a number of our financial statements we have an item called “Technical services, materials, etc.” We could not break this down into any more detail because we did not have enough information as to the exact steps involved in the particular projects. You will, however, want to show for each project the approximate costs for items such as meetings, additional technical staff at headquarters, additional research and technical services directly connected with the project, materials used for demonstration purposes, sample seeds, vaccines, etc. It is believed that all of these are recognized as legitimate items in work of this kind but they should be clearly shown for each project.

It is recognized also that the item referred to in Mr. McDougall’s letter for information materials, such as film strips, pamphlets, charts, etc., is a very legitimate and important item and this should be carefully figured for each of your projects. Again we did not put this into a separate item because we did not have enough information as to the proportion of this service required for each separate project. It is suggested that you will want to include anywhere from 5 to 10 percent for services of this kind depending upon the nature of the project and the country and background of the people concerned. In this connection, you may find that there will be an unbearable burden upon your headquarters translation staff if you attempt to produce all these materials at headquarters. You will probably look into the question of developing local talent and resources for producing or reproducing visual materials in native languages. In fact, this seems to be one item which might be directly chargeable to recipient governments in many cases.

*Economics and statistics.*—Just a few minutes ago I received a memorandum from Dr. F. F. Elliott of BAE but I had to give it immediately to someone else in this Government working on statistical programs. My memory of his comments on the FAO projects is:

(1) Provision should be made for beginning a crop reporting system but the exact budgetary amount to be allocated to this would depend upon the availability of manpower administrative arrangements, etc.

(2) The writeup for much of the economics and statistics work should be included under one heading, such as “Economics and Statistics Services.” This should include crop reporting, world census of agriculture—assistance to governments, and national food and agriculture programs—assistance to governments.

Dr. Elliott pointed out that these are different parts of the same problem and taken together they constitute the basic operations necessary for a good economics

and statistics service. As soon as his memorandum has been returned to me, I will send it to you.

*Rural welfare.*—It is noted that there is no item in your list of projects for this specific item. This should not necessarily mean, however, that rural welfare aspects of FAO are being neglected. It is suggested that in your planning for programs such as rural industries, cooperatives, as well as many of the agricultural and nutrition programs, due account should be taken of the general welfare and social aspects of the project and staff provision should be made for these items. This part of FAO's work seems to be very much a part of a joint enterprise with the U. N., WHO, ILO, and UNESCO. It would seem advisable, therefore, for this part of FAO's program to be thoroughly worked out with the ACC where you will have a joint attack upon economic development in an area "paying due attention to questions of a social nature which directly condition economic development."

Copies to: Drs. Akroyd, Show, and Gerhardsen; Drs. Kesteven and Buck; Mr. Tolly and Dr. Ezekiel.

MR. MORRIS. The next document which we have numbered 308—our No. 308—is a letter which, on page 9, indicates the following:

*Clearing House for Technical Information and Location of Experts.*—Specific inquiries from governments for help on technical problems and in finding experts to assist them have been handled to date on an ad hoc basis by the Technical Assistance Unit of the Division of Economic Stability and Development.

At that time, David Weintraub was a Director of that particular agency. This indicates, Senator, that the personnel were to be taken from this particular section, of which Alfred J. Van Tassel was executive secretary at that very time. Alfred Van Tassel has also been a witness before this subcommittee, Senator. After his appearance before the subcommittee in New York in 1952, he was dismissed by Secretary General Trygve Lie.

I offer this to show that not only was the personnel drawn from the agency headed by David Weintraub and inquiries regarding it referred to him but the information for the project was drawn by Alfred Van Tassel.

Senator JENNER. It may go into the record and become a part of the official record.

(The document referred to was marked "Exhibit No. 308" and is as follows:)

EXHIBIT No. 308

49/2499

15 NOVEMBER 1949,

DEAR MR. ———: The enclosed note sets out briefly the present stage of the several types of technical assistance activities which we [U. N.] are carrying on within the limits of our resources under General Assembly Resolution 200 (III)<sup>1</sup> and of requests received from Member Governments. This summary is being sent to all interested specialized agencies.

I hope that it will be possible for you to let us have a similar summary of your agency's technical assistance activities in due course.<sup>2</sup>

Yours sincerely,

A. D. K. Owen [David Owen],  
Assistant Secretary-General in charge of Economic Affairs.

This letter has been sent to the following specialized agencies: FAO, Intern. Bank, Int. Monetary Fund.

<sup>1</sup> This applied to U. N.'s regular technical assistance work, as contrasted to the expanded Technical Assistance Program (ETAP) of which David Owen has been Executive Chairman since mid-1952.

<sup>2</sup> This move to bring the regular technical assistance work of the specialized agencies under the same U. N. review as the central-fund expanded program was the result of the U. S. S. R. resolution in ECOSOC (July 1949) calling on the specialized agencies to report to the Standing Technical Assistance Committee of ECOSOC (now known as TAC), through the Technical Assistance Board (now known as TAB—and of which David Owen is Executive Chairman), "on their technical assistance activities, including activities financed from the special account."

## UNITED NATIONS DEPARTMENT OF ECONOMIC AFFAIRS

STATUS REPORT ON TECHNICAL ASSISTANCE ACTIVITIES UNDER GENERAL ASSEMBLY  
RESOLUTION 200 (III), 15 NOVEMBER 1949

General Assembly Resolution 200 (III) authorizes the Secretary General to provide numerous types of technical assistance to promote the economic development of underdeveloped countries. The types of assistance which have, in fact, been most requested are:

- (a) Individual experts and groups of experts working as a team to advise on economic development problems;
- (b) The training abroad of the experts of underdeveloped countries through the provision of fellowships; and
- (c) The exchange and provision of information concerning technical problems of economic development.

There is set out below a brief summary of steps taken in these three fields by the Secretary General in response to requests from Member Governments.

(a) *International Teams of Experts*

(i) *Haiti*.—Following the presentation of the report of the United Nations Mission to Haiti, consideration is being given to appropriate measures of further collaboration with the Government of Haiti in its implementation of the recommendations presented in the report. An expert with wide experience in economic development work who could serve in Haiti on technical assistance services for the United Nations is being contemplated. The duties of this officer would be to follow up the work of the United Nations Mission, advising and assisting the Government as required and acting as Technical Assistance Representative in respect of such continuing assistance in specific development fields as the Government may require. It is hoped that the specialized agencies could collaborate with the United Nations in such an enterprise and jointly with the United Nations designate such an officer.

(ii) *Ecuador*.—At the Government's request five experts have been advising the Government of Ecuador since the middle of 1949 in the following fields: Customs organization, reform of the Civil Service, census organization, and public finance. It is foreseen that an extension into 1950 of some part of the groups work will be needed, particularly to complete the drafting of legislation which the experts have helped to prepare.

(iii) *Burma*.—A statistical expert has been sent to Burma to organize and improve the economic statistics of that country under the Ministry of National Planning. The expert took up his duties in October 1949 and it is expected that his services will be continued into 1950. It is anticipated that further assistance in other fields of economic development may be requested.

(iv) *Mexico*.—Detailed negotiations are far advanced and arrangements are in progress to provide three experts, one on the better utilization of local coal for the Mexican iron and steel industry and two on technical aspects of the organization of that industry. Requests for expert assistance in other fields are expected in 1950.

(v) *Bolivia*.—As a result of extended discussions a preliminary mission of one outside expert, assisted by two United Nations officials (one drawn from the Secretariat of the Economic Commission for Latin America) left on 11 November for La Paz to plan, in consultation with the Government, a programme of technical assistance which has been requested in the fields of economic development and social welfare.<sup>3</sup> Upon the return of this preparatory mission, probably at the end of November, a team of experts will be organized in cooperation with the specialized agencies concerned to advise the Government in the fields mutually agreed upon.

(vi) *Guatemala*.—A request from the Government regarding a comprehensive mission has been under discussion for several months. It has not been possible

<sup>3</sup> The request in the field of social welfare arises out of the advisory functions provided under General Assembly Resolution 58 (I).



to proceed with practical action in the absence of certain information requested of the Government which is not yet available.

(vii) *Iran*.—One representative from the Economic Affairs Department and one from the Social Affairs Department have now reported on their exploratory visit to Teheran. Negotiations are to be resumed shortly with the Iranian Delegation regarding the furnishing of expert assistance requested in the fields of taxation, customs tariffs and organization, and also in various social welfare fields. In further negotiations on the request for economic experts due account will be taken of the activities and arrangements in any of these fields initiated under the Government's Seven Year Development Plan and implementing any subsequent recommendations made by the Technical Mission of Overseas Consultants Inc. which visited Iran during the first half of 1949.

(viii) *Chile*.—In response to a request from the Government, arrangements have been proposed for the furnishing of expert advice. This will relate to policies bearing on problems of price and wage stabilization and general economic stability in relation to the economic development needs of Chile as well as on borrowing and tax policies and related fiscal and monetary problems. The services of a small group of experts are being sought for this purpose. Arrangements are being made for a first visit to Chile of two of these experts during November-December 1949.

(ix) *Afghanistan*.—Informal discussions have been initiated by members of the Afghan Delegation to the General Assembly regarding the possibilities of a broad range of United Nations technical assistance being rendered to aid the economic development of Afghanistan.

(x) *Pakistan*.—Discussions are planned to take place during November in Karachi upon the types of technical assistance which might be rendered in response to the preliminary inquiries of the Government of Pakistan.

(xi) *Philippines*.—Notification has been received of a request which this Government plans to make formally in January 1950 for a "technical scientific research commission" of two or three experts who would undertake a study of the facilities for a "proper scientific approach" to the problem of economic development of the Philippines, and advise the Government in this respect. A further clarification of this request is awaited.

(xii) *Thailand*.—The Executive Secretary of ECAFE has received a request for a high ranking statistical expert to assist the Thai Government in the organization of its statistical services. Consideration is being given by the Statistical Office to this request.

(xiii) *Bolivia, Chile, Paraguay, Peru, Uruguay*.—Individual consultations on census problems have been held with the authorities of these countries by a census expert.

(xiv) *Hashimite Jordan Kingdom and Ceylon*.—Informal inquiries have been made by the Government of the Hashimite Jordan Kingdom for assistance in respect of statistical services. Attention was drawn to the wording of the resolution which does not allow the Secretary-General to give expert assistance to nonmember Governments. For similar reasons a request by the Government of Ceylon for fellowships is being held in abeyance.

#### (b) *Training Abroad of Experts through Fellowships*

*Notification of Member Governments*.—The 1949 programme of fellowships for the training abroad of experts from underdeveloped countries was initiated by a letter and memorandum sent to all Member Governments in February 1949. These communications outlined the arrangements which were being made to provide technical assistance under paragraph 3 (b) of General Assembly Resolution 200 (III). In particular, the memorandum indicated that there would be about sixty fellowships available in 1949, open to men and women with considerable experience in the field of economic development, described briefly the fields in which facilities could most readily be arranged, explained the procedure to be followed by Member Governments who wished to apply for fellowships on behalf of their nationals, and also set out financial arrangements relating to the scheme.

*Host Facilities*.—The attention of Member Governments having a more highly developed economy was especially drawn to the fact that the success of the programme depended on their cooperation in extending facilities in which it would be possible for fellowship holders from underdeveloped countries to study and observe some general or specific aspect of economic development. At the end of October 1949 the following Member Governments had offered host facilities covering a wide area of the broad field of economic development: Australia,

Belgium, Canada, Chile, Costa Rica, Denmark, France, India, Mexico, the Netherlands, New Zealand, Norway, Sweden, the United Kingdom and the United States.

*Award of Fellowships.*<sup>4</sup>—On 14 April 1949 the Assistant Secretary-General in charge of Economic Affairs [David Owen] established a Selection Committee in the Department of Economic Affairs to make recommendations to him regarding the award of fellowships. *The Committee, which consists of senior officers of the Department [of Economic Affairs (U. N.)] and a member of the staff of the Secretary-General's Office, held eight meetings during the year and considered 152 applications sponsored by 26 Member Governments. Following the recommendations of the Committee, the Assistant Secretary-General [David Owen] approved the award of fellowships to 67 candidates. As at 2 November 1949, 36 fellowship holders had commenced their programme of studies, 9 were expected to begin their studies within 30 days, and arrangements for host facilities were being completed with respect to the remaining 22 candidates. Table A in Annex I lists the number of candidates nominated by applicant Governments and the number of awards or recommendations for awards, and Table B shows the number of candidates accepted by each host country.*

A broad classification of awards shows that 26 were to candidates from Latin America, 20 to candidates from Asia and the Far East, 12 to candidates from the Near East, and 9 to candidates from Europe.

*Fields of Study.*—The principal fields of study of the 67 fellowship holders mentioned above include economic planning, combined resource development, public administration, cooperatives, finance and trade, fiscal methods, statistics, hydraulics, mineral exploration, transport and communications, and electricity production.

#### (c) *Exchange and Provision of Information*

(i) *Census Training Centers.*—Because of the imminence of comprehensive censuses of population and agriculture in a large number of countries, the United Nations Statistical Office and the Food and Agriculture Organization have collaborated in census training centers in different parts of the world. At present two such institutes are in operation: one in Cairo and one in New Delhi. About 40 students attend each Center, many being key officials in national census offices. For all the Centers so far organized the host government has provided space, services and a considerable part of the instruction, and has contributed to the miscellaneous expenses of the institutes. The participating governments have financed the attendance of their representatives and the Food and Agriculture Organization and the United Nations have provided highly qualified instructors in census methodology.

(ii) *Meeting of Experts on Financing Economic Development.*—The first of a series of meetings on problems of economic development was held at Lake Success for two weeks commencing on 24 October. The major task of the experts was to study prevailing practices and problems of domestic financing in selected underdeveloped countries. *The meeting was organized by the Division of Economic Stability and Development.*<sup>5</sup>

Each of the experts contributed a paper on the subject with special reference to his own country's experience in financing. *They also discussed appropriate international assistance for developing financial resources and institutions in underdeveloped countries.*

The experts, participating in the meeting in their individual capacities, were: Sir Sidney Caine, Head of the United Kingdom Treasury and Supply Delegation; Antonio Carrillo Flores, Director of Nacional Financiera, S. A. of Mexico; Felix De La Costa, Vice President of the Philippine Bank of Commerce; S. L. Descartes, Treasurer of Puerto Rico; Desiderio Garcia, General Manager of the Cia. de Acero del Pacifico of the Chilean Corporacion de Fomento de la Produccion; Bal K. Madan, India's Executive Director on the International Monetary Fund; and Mohamed Aly Rifaat, former Controller of Exports and Imports in Egypt. Members of the secretariats of interested specialized agencies participated, at the invitation of the expert group, in the meetings.

The papers presented, the experts' discussion and a summary prepared by the Department of Economic Affairs will be published shortly as a contribution to the analysis of the problem of financing economic development in underdeveloped countries.

<sup>4</sup> Fellowship program in David Weintraub's division.

<sup>5</sup> David Weintraub was Director.

(iii) *Technical Handbooks.*—

**Antimalarial Insecticides:** Following a discussion of the production, trade and utilization of these insecticides by the Ninth Session of the Economic and Social Council, plans were made to publish a technical handbook dealing with their manufacture and formulation. Work on this is now far advanced; a substantial amount of the text is finished. The United Kingdom Government has undertaken to provide data regarding BCH, an important antimalarial insecticide, which information is needed to finish the work.

**Iron Foundries:** This handbook will cover all aspects of the construction and operation of small-scale foundries based upon practical field experience in a number of economically underdeveloped countries. The text is well advanced but charts, diagrams and photographs will require further work.

**Population Census Methods:** A provisional edition of a handbook of population census methods has been issued and is in use in two census training institutes.

(iv) *Economic Development Bulletin.*—Slow progress is being made in preparing a trial issue of this Bulletin in order to ascertain the value of a periodical publication in this field. Delay is due to staff limitations rather than to lack of material, of which enough is now on hand to produce a trial issue.

(v) *Clearing House for Technical Information and Location of Experts.*—Specific inquiries from Governments for help on technical problems and in finding experts to assist them have been handled to date on an ad hoc basis by the *Technical Assistance Unit of the Division of Economic Stability and Development*.<sup>6</sup> In conformity with paragraph 3 (d) of General Assembly Resolution 200 (III) and Economic and Social Council Resolution 222 (IX) C, it is now planned to develop this service using, on the one hand, the direct contacts established through the *United Nations Scientific Conference on the Conservation and Utilization of Resources*<sup>7</sup> with experts in many countries and, on the other hand, the machinery set up by several governments for handling requests for technical assistance for economic development, including the locating of available experts. *Use will also be made of the many contacts with economic development authorities in economically developed countries which have been established by the Technical Assistance Unit of the Division of Economic Stability and Development through its Fellowship Programme and Mission activities.*<sup>8</sup>

## ANNEX I

TABLE A.—*Number of candidates nominated by applicant governments for economic development fellowships and number of awards and recommendations for awards*

Country	Total number of applications to Selection Committee	Total number of awards and recommendations for awards	Country	Total number of applications to Selection Committee	Total number of awards and recommendations for awards
Bolivia.....	5	3	Iran.....	12	4
Brazil.....	12	5	Iraq.....	2	2
Burma.....	1	1	Israel.....	1	1
Cambodia (French Union).....	2	1	Lebanon.....	1	1
Chile.....	22	4	Mexico.....	2	1
China.....	4	2	Pakistan.....	15	5
Colombia.....	1	1	Philippines.....	10	4
Costa Rica.....	2	1	Poland.....	3	3
Ecuador.....	12	4	Syria.....	2	2
Egypt.....	2	2	Thailand.....	2	2
Greece.....	10	3	Venezuela.....	4	3
Guatemala.....	1	1	Yugoslavia.....	5	3
Haiti.....	5	3			
India.....	15	5	Total.....	152	67

<sup>6</sup> David Weintraub was Director.

<sup>7</sup> Alfred J. Van Tassel was Exec. Secretary of UNSCCUR.

<sup>8</sup> David Weintraub was Director.



TABLE B.—*Geographical distribution of economic development fellowship holders by host country*

Host country:	Number of fellowship holders		Number of fellowship holders
Australia-----	1	Netherlands-----	2
Belgium-----	3	Sweden-----	1
Canada-----	1	United Kingdom-----	5
Chile-----	2	United States-----	<sup>2</sup> 23
Costa Rica-----	1		
Denmark-----	2	Total-----	<sup>3</sup> 45
France-----	<sup>1</sup> 6		

<sup>1</sup> One fellow studying in Algeria.

<sup>2</sup> Three fellows studying in Puerto Rico; 9 fellows attended UNSCCUR; 1 fellow is undertaking part of his study program in the United Nations Secretariat.

<sup>3</sup> As 1 fellow is to study in Denmark, Sweden, and United Kingdom, this figure is not the arithmetic total, but the actual number of fellows for whom placement arrangements have been made.

Mr. MORRIS. I have here a document dated August 1, 1949, a document from Alfred Van Tassel to Sir Herbert Broadley. I offer this for the reason that Alfred Van Tassel is described herein as Executive Secretary of the United Nations Scientific Conference on the Conservation and Utilization of Resources.

May it go into the record to show that he had that particular title at that time?

Senator JENNER. It may go into the record and become a part of the record.

(The document referred to was marked Exhibit No. 309 and is as follows:)

EXHIBIT No. 309

UNITED NATIONS,  
Lake Success, N. Y., 1 August 1949.

Reference: ECA 9S/7/01.

Sir HERBERT BROADLEY,  
*Acting Director-General,*

*Food and Agriculture Organization of the United Nations,*  
Washington 6, D. C.

DEAR SIR HERBERT: Thank you for your letter of 22 July.

I should like to assure you that the Secretariat of the Conference which has been set up in the Department of Economic Affairs appreciates fully the important work that the Food and Agriculture Organization is doing in its field and in contributing to the success of the United Nations Scientific Conference on the Conservation and Utilization of Resources. Mr. Harrison and Mr. Greene have rendered invaluable service on the Preparatory Committee as have many others on the staff of the FAO through their liaison.

The Department of Public Information is, of course, responsible for relations with the press. I have therefore forwarded your letter to them and have asked that they take account of the feeling of FAO in this matter,

Yours sincerely,

ALFRED J. VAN TASSEL,<sup>1</sup>  
*Executive Secretary, United Nations Scientific Conference  
on the Conservation and Utilization of Resources.*

Mr. MORRIS. Here is a document, No. 310, also from the farm organizations, which is a paper on Alfred J. Van Tassel.

Senator JENNER. It may go into the record and become a part of the official record.

<sup>1</sup> Separated from U. N. job (which later was Operations Director for the U. N. Technical Assistance Administration) on November 30, 1952, after refusing to answer questions of Senate Internal Security Subcommittee regarding Communist affiliations. See attached David Owen statement for Van Tassel relationship to obtaining experts for early U. N. technical assistance program.

(The document referred to was marked "Exhibit No. 310" and is as follows:)

## COE EXHIBIT No. 310

ALFRED J. VAN TASSEL AND THE U. N. EXPANDED TECHNICAL ASSISTANCE PROGRAM

(See also \* \* \* David Owen statement of Nov. 15, 1949.)

[U. S. News & World Report, December 5, 1952, pp. 18, 19]

INTERVIEW WITH ROBERT MORRIS, SPECIAL COUNSEL, SENATE INTERNAL SECURITY COMMITTEE

*THE STORY OF COMMUNISM IN U. N.*

15 HIGH-RANK AMERICANS SILENT ON PARTY TIES—MOST HAD HELD GOOD U. S. JOBS—FBI FILES IGNORED

EDITOR'S NOTE.—What is behind the recent headlines about American Communists in high places in the United Nations?

For a discussion of this and related questions, the editors of U. S. News & World Report invited to their conference room Robert Morris, special counsel of the Senate's Internal Security Subcommittee. This group, which is a part of the Senate Judiciary Committee, at present is headed by Senator Pat McCarran (Dem.), of Nevada.

Mr. Morris began looking for subversive activities in 1940 as counsel for a committee of the New York Legislature investigating the schools—the Coudert committee.

In the war he was officer in charge of the Communist-Soviet Desk of Counterintelligence in Naval Intelligence for the Third Naval District, and later in charge of the Advance Psychological Warfare Section for Admiral Chester W. Nimitz in the Pacific.

The "Paul Robeson riots" near Peekskill, N. Y., in 1949, called Mr. Morris into service as special assistant to the district attorney of Westchester County.

And in 1950 he was counsel to the Republican minority of the Tydings Committee, in the Senate's inquiry into the charges of subversive elements in the State Department made by Senator Joseph R. McCarthy.

For the Internal Security Subcommittee, Mr. Morris has guided the investigations into the Institute of Pacific Relations and into subversive influence in the schools, as well as the current United Nations study.

Q. What is the reason, Mr. Morris, why the McCarran Committee delved into an investigation of the personnel of the United Nations? Isn't the U. N. more or less sacrosanct like an embassy or legation?

A. Possibly atmospherically that may be the case, but actually many of these people who are American citizens working in the Secretariat and the specialized agencies of the U. N. have, for many years, been suspect by the various loyalty agencies of the United States Government. Some of them have been under congressional charges. Some of them have been well known as people of very pro-Communist persuasions. And Senator McCarran has taken the position that, as long as they remained American citizens and engaged in subversive acts against the United States Government, they could be the object of inquiry by the Subcommittee.

Q. Do these people who have been investigated hold high rank?

A. Yes, almost all the people we've had before our Committee are not supernumeraries by any means.

In two cases, they were head men in their divisions. In some cases, they were heads of their sections.

Take the case of Jack S. Harris, who was the second official in the Research Section of the Trusteeship Division. Harris was in the Office of Strategic Services for the United States during the war, in charge of military intelligence for South Africa. When asked whether while holding that post he was a Communist, Harris refused to answer on the ground that his answer might incriminate

him. He also declined to say, on the same grounds, whether he was then, while testifying or ever before had been a Communist.

There was also the case of *Alfred J. Van Tassel*, chief of the Economic Section, Special Projects Division of the Technical Assistance Administration, earning \$12,840 a year, who likewise refused on constitutional grounds to tell the Committee whether he was presently a member of the Communist Party.

In all, more than 15 of these officials refused to answer questions and invoked their privilege.

Q. Who were some of the others?

A. Joel Gordon, chief of the Current Trade Analysis Section of the Division of Economic Stability and Development, also refused to say whether he was presently engaged in subversive activities against the United States, whether he had engaged in espionage, or whether he was a Communist.

Q. Was Gordon ever a United States Government employee?

A. Yes. Among other important positions, he had been chief of the Yugoslav Branch of UNNRA.

Q. These people you speak of in the U. N., are they American citizens?

A. These are American citizens who are employed, for the most part, by the Secretariat. A few of them are working for some specialized agencies.

Q. But we can't touch these people because they are employees of the U. N.—is that right?

A. Quite the contrary. The Subcommittee has taken a very firm position that as long as they are American citizens, and as long as the subject matter is subversion committed against the United States Government, the Subcommittee has jurisdiction over them.

Q. Investigation jurisdiction. But is there any kind of power to prosecute them for anything other than perjury?

A. If any of them commits perjury before our Committee, he can be indicted by a grand jury. The Committee cannot indict. If we bring out evidence that he has broken a law of the United States, he can likewise be indicted by a jury.

Q. Then he has no immunity simply because he works for the U. N.?

A. That is right. The Committee is very firm in taking the position that just because a person works for an international body he does not acquire any immunity from investigation or prosecution.

Q. How long has this U. N. investigation been going on?

A. The Subcommittee commenced its investigation of the U. N. personnel approximately in May of this year.

Q. Was there any way to accomplish this other than by a committee hearing? Couldn't it have been turned over to the Justice Department, to the FBI?

A. That is a very good question. The Committee will not go into an investigation if there is no need of it. Now, in the case of the subjects of the U. N. investigation, their subversive records, in all cases, were known to the FBI for years, and in most cases have been known to the State Department for years. In fact, many of these U. N. officials—and these are top officials, not supernumeraries—were called before the federal grand jury in New York last spring and summer, and while they were before the federal grand jury they invoked their constitutional privilege against testifying on the grounds that the answer might incriminate them. Now, we do know that the top leaders of the U. N. learned that this was the case and yet did nothing until many months later when the Subcommittee held its open hearings.

Q. Who was the official who started the presentation of this evidence to the grand jury?

A. Roy Cohn, Special Assistant to the Attorney General, a very able and patriotic lawyer.

Q. Can you locate the month definitely when this thing started?

A. I would say it was April for the grand jury and May for the Committee.

Q. So the U. N. top officials knew about this since April—they knew about this grand jury investigation?

A. Yes, and it is in our record—I remember reading *Van Tassel's* record today. *Van Tassel* said that he had testified before the federal grand jury and had informed his superior in the U. N. that he had refused to answer questions on the grounds that his answers might incriminate him.

Q. Who is *Van Tassel*?

A. *Van Tassel* is one of the top-level assistants in the Technical Assistance Program.

Q. What does that embrace?



A. *Technical Assistance is probably one of the most important subdivisions of the U. N. right now. They have asked that the United States contribute many millions of dollars to the Technical Assistance Program so that they will be able to spend money throughout the world. It supplements and encompasses our Point Four program. The general thinking now, both in the State Department and in the United Nations, is that Point Four and all these international assistance organizations should be subordinated to the Technical Assistance Program in the U. N.*

Q. When the U. N. leaders learned those things, did they act quickly on it?

\* \* \* \* \*

*U. S. citizens on staff of U. N. Technical Assistance Administration who were dismissed following inquiry by Federal grand jury and Senate Internal Security Subcommittee into Communist infiltration of U. N. Secretariat:*

Alfred J. Van Tassel—Chief, Economic Section, Special Projects Division, UN-TAA. \$9,000 salary net, tax paid by U. N.

Stanley Graze—Executive Secretary of the Railways Operation Study Unit, UN-TAA. \$6,000 net salary, tax paid by U. N.

Herman Zap—training officer. \$6,625 net salary, tax paid by U. N.

Mr. MORRIS. Document No. 311 consists of papers concerning David Owen and the United Nations Technical Expanded Assistance Fund.

Senator JENNER. It may go into the record and become a part of the official record.

(The document referred to was marked "Exhibit No. 311" and is as follows:)

#### EXHIBIT No. 311

#### DAVID OWEN AND THE U. N. EXPANDED TECHNICAL ASSISTANCE FUND (CENTRAL FUND)

##### REORGANIZATION OF THE TECHNICAL ASSISTANCE BOARD (TAB)

24. In the middle of 1952, the Technical Assistance Committee (TAC) reviewed the methods of operations of the TAB and recommended to the ECOSOC a number of changes in the basic resolution (establishing the U. N. Expanded Technical Assistance Program—222 (IX)). The Economic and Social Council at its 14th Session accepted these changes, which provided for the appointment of an Executive Chairman and a modification in the function and responsibilities of the Board.<sup>1</sup> *The Executive Chairman was given the task of reviewing all programme proposals, either preliminary or final, with a view to developing balanced country programmes, and he was to make such recommendations to the Board on all programmes as he saw fit. The Chairman was also to exercise continuous supervision of the programme, and to ensure that all the Board's activities were adequately coordinated.*<sup>2</sup> And finally, special emphasis was placed on the role of the Resident Representatives.

25. In making the recommendations on financial arrangements for 1953, the Technical Assistance Committee also provided that all programmes for 1953 were to be reviewed by the Chairman and approved by the Board before funds were allocated, whether the projects were financed from the agency automatic allocations or from the Retained Contributions Account. This latter requirement and the new general responsibilities necessitated a change in the organization of the Secretariat of the Technical Assistance Board, and this was accomplished over the latter half of 1952 and in the early months of 1953.

(The above paragraphs [numbered 24 and 25] appeared in "United Nations Technical Assistance Committee Fifth Report of the Technical Assistance Board, Economic and Social Council Official Records: Sixteenth Session, Supplement No. 10, E/2433, 1 June 1953.)

David Owen—Executive Chairman of the Technical Assistance Board (TAB), U. N. Born Pontypool, U. K., 1904.

<sup>1</sup> Resolution 433 A (XIV).

<sup>2</sup> David Owen holds this post.

## Previous employment included:

Sec., civil res. div., Pol. and Econ. Planning, London, 1933-36.

Gen. sec., Economic and Political Planning, London, 1940-41.

Personal Sec., Sir Stafford Cripps, on Mission to India, 1942.

Officer in charge, League of Nations Affairs, 1944-45 (Fgn. Office).

Member U. K. delegation to ILO Conference, 1944.

Member U. K. delegation to San Francisco Conference to organize U. N., 1945.

Deputy Director-General, U. N. Preparatory Commission, London, 1945-46.

Assistant Secretary-General for Economic Affairs, U. N., 1946-52.

NOTE.—Of the total number of U. S. citizens removed from the U. N. staff following Federal Grand Jury inquiry and Senate Internal Security Subcommittee hearings on *Communist infiltration* on U. N. secretariat, 25% were on David Owen's staff in the Economic Affairs Division. (See list attached.)

U. S. citizens on staff of David Owen (Assistant Secretary General of U. N. for Economic Affairs) who were dismissed following inquiry by Federal grand jury and Senate Internal Security Subcommittee into *Communist infiltration of U. N. Secretariat*:

## ECONOMIC STABILITY AND DEVELOPMENT DIVISION

David Weintraub, Director—net salary, tax paid by U. N., of \$11,800 plus an \$800 allowance. (Resigned under fire)

Sidney Glassman—net salary of \$8,500 tax paid by U. N.

Irving Kaplan—\$12,440 per year

Eugene Wallach

Herbert Schimmel—economic affairs officer, \$8,500 net, tax paid by U. N.

Joel Gordon—Chief, Current Trade Analysis Section, \$10,000 net, tax paid by U. N.

Herman Zap—(later transferred to U. N. Technical Assistance Administration—see note on next page)

Mrs. Marjorie Zap—economic affairs officer, \$4,800 net salary, tax paid by U. N.

## OTHER SECTIONS OF ECONOMIC AFFAIRS

Hope Dorothy Eldridge—statistical officer, \$7,525 net salary, tax paid by U. N.

Rhoda Rastoff—Transport and Communications Division

U. S. citizens on staff of U. N. Technical Assistance Administration who were dismissed following inquiry by Federal grand jury and Senate Internal Security Subcommittee into *Communist infiltration of U. N. Secretariat*:

Alfred J. Van Tassel—Chief, Economic Section, Special Projects Division, UN-TAA. \$9,000 salary net, tax paid by U. N.

Stanley Graze—Executive Secretary of the Railways Operation Study Unit, UN-TAA. \$6,000 net salary, tax paid by U. N.

Herman Zap—training officer. \$6,625 net salary, tax paid by U. N.

## U. N. (Central Fund) Technical Assistance Program

	Million
1954 program total-----	\$19.0
For total program administration in 1954-----	4.3

22 percent of total program money went into administration.

For Technical Assistance Board (TAB) administration in 1954-----	1.3
--	-----

6½ percent of total program money went into TAB administration.

TAB administration in 1954 cost more than the total of all of the technical assistance programs carried out under the U. N. program during the year in Africa, considered to be the most underdeveloped region in the world. (African programs received \$1.2 million from the U. N. fund in 1954.)<sup>3</sup>

TAB administration in 1954 cost more than the total allocated to the International Civil Aviation Organization (ICAO) for technical assistance work throughout the world.

TAB administration in 1954 cost slightly less than the total allocated to the International Labor Organization (ILO) for technical assistance work throughout the world.

<sup>3</sup> This is cost of David Owen and his central fund staff.

[New York Times, January 25, 1949]

## U. N. SUGGESTS DISCRETION IN UNITED STATES OFFERS TO AID AREAS

WORLD GROUP FEELS TECHNICAL HELP MUST SHUN IDEA RECIPIENT SIDES AGAINST COMMUNISM

By James Reston

Special to the New York Times

LAKE SUCCESS, January 24.—Officials of the United Nations are convinced that the Organization can gain a lot and contribute a lot if President Truman uses it discreetly to provide scientific and technical assistance to the underdeveloped areas of the world.

In an organization deeply divided by political rancor, and suspicious of almost every move by the great powers, however, the accent is on the word "discreet." The fear here is that, if the President's recent proposal to help underdeveloped areas is not kept carefully out of the East-West fight, its great potentialities may be lost.

Some underdeveloped nations—Burma, for example—have received offers of technical assistance from Great Britain, but have preferred to get it from the United Nations if possible to avoid any obligations to London. That is one evidence of the delicate atmosphere.

Similarly, 1 or 2 other countries have hesitated about taking direct technical assistance from the United States because they feared opposition from the Soviet Union and involvement in the East-West clash.

For this reason, representatives of the underdeveloped areas welcome that part of Mr. Truman's inaugural speech that proposed that technical and scientific assistance "should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies whenever practicable."

They emphasize, however, that while the United Nations badly needs to go to work again on some specific unifying proposal, nothing will be "practical"—and indeed *Mr. Truman's own suggestion will be jeopardized—if his idea is presented here or elsewhere as a weapon against communism.*

After the San Francisco Conference, the delegates there had great hopes for the Economic and Social Council of the United Nations. This hope was based on the theory that while the big powers were divided on political questions, they might manage to agree on specific economic questions and that an atmosphere of agreement in the Economic and Social Council might eventually spread into the political debates in the Security Council.

Unfortunately, this did not happen. The Economic and Social Council soon developed a tendency to wander away from tangible questions into the most controversial areas of human relations. After the retirement of Sir Ramaswami Mudalier, its leadership declined, and—more important than either of these considerations—the acrimonious atmosphere of the Security Council debates spread into the discussions of the Economic and Social Council.

Nobody here is very sanguine that, even with discretion, the President's new proposal can be kept out of the propaganda area. In the Paris meeting of the United Nations, before Mr. Truman made his inaugural speech, the Soviet delegate had some exceedingly acid remarks to make about sending technicians into the underdeveloped areas of the world.

In the old days, he observed, the capitalist powers had sent missionaries who had succeeded very well in "infiltrating" the colonial areas, and now that missionaries were sort of out-of-date in a mechanical world, he added, it was the "technicians" who were often called upon to play the old capitalist imperialistic game.

Nevertheless, the United Nations is still young enough to hope and work for another start, and officials are exploring the President's idea with enthusiasm.

*Assistant Secretary General David Owen has established a subcommittee in the Economic Affairs Section to explore the proposal. He has already been in touch with representatives of the United States delegation here and with some officials in Washington.*<sup>1</sup>

<sup>1</sup> Four days after Truman's point 4 inaugural, David Owen had (1) established a subcommittee in the division headed by David Weintraub—see page 9 of Owen Statement of November 15, 1949; and (2) been in touch with United States-United Nations mission and "some officials" in Washington. Do these contacts explain the speed with which the United States Department of State took a position favoring U. N. control of the international technical assistance program?



As a result of preliminary inquiries, it is already obvious that both here and in Washington a job of coordination and exploration has to be done. Many of the so-called specialized agencies of the United Nations can make contributions to the Truman suggestion, but the contact between Lake Success and these specialized agencies and commissions is not very good.

Similarly, many agencies of the Government in Washington have their own ideas about how the President's proposal should be developed, and again the task of exploration has to be pulled together.

What kind of cooperation can be expected from United States industry and American universities in making their specialists available on a leave-of-absence basis for a few months?

What kind of program does President Truman have in mind, and who is to run it?

Where is there a reliable census of scientists and technicians with overseas training?

What countries need help the most, and what is to be the test of granting priorities?

Nobody here knows the answers to these questions yet, and the answers are not expected for some time. Meanwhile, among officials here having some experience in the matter, there is some consensus about how the problem should be approached.

"The approach must be nonpolitical," one official remarked, "or a good idea will be lost so far as the United Nations is concerned."

*January 20, 1949.*—President Truman, as the 4th point in his inaugural address, announced that the United States "should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. \* \* \* This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable."

*February 25, 1949.*—Assistant Secretary of State Willard Thorp, U. S. representative on the U. N. Economic and Social Council (ECOSOC), opened debate at ECOSOC with the U. S. proposal that Secretary General Trygve Lie (of U. N.) should prepare for the July meeting of ECOSOC a concrete program for enlarging the activities of the U. N. and the Specialized Agencies in the field of technical assistance. The Secretary General was asked to consult with the Specialized Agencies through the Administrative Committee on Coordination (on which each international organization is represented by its administrative head, with the Secretary General of U. N. serving as chairman).

Comment: The U. S. representative to the U. N.'s Economic and Social Council took this first step to center the expanded program of international technical assistance in the U. N. (Organization) at a time when discussions within the U. S. Government on how to implement President Truman's Point 4 had barely started. *There is nothing in the record now to indicate how the United States Government arrived at its position so early on this fundamental question, which had such far-reaching implications for the programs of all of the Specialized Agencies.*

[United Nations press release, 25 March 1949]

#### STATEMENT BY SECRETARY GENERAL TRYGVE LIE ON ECONOMIC DEVELOPMENT AND TECHNICAL ASSISTANCE TO UNDERDEVELOPED COUNTRIES

We shall be taking another step next week in the development of the United Nations plans for technical assistance and economic development of underdeveloped countries.

On Thursday, March 31, there will be consultations at the offices of the International Bank in Washington, D. C., among representatives of seven of the specialized agencies and a secretariat party headed by Assistant Secretary General David Owen. These consultations are for the purpose of establishing some of the basic policy lines to be followed in the plans on technical assistance which the Economic and Social Council requested us to prepare. After these consultations, an expert group will start work at Lake Success. Their draft plans should be ready for consideration by the Administrative Committee on Coordination in the middle of May, and I hope to be able to complete the report by the end of that month.

In the meantime, I have asked the International Bank and the International Monetary Fund, the Food and Agriculture Organization, the International Labor Office, and UNESCO to give me their views on methods of financing economic development projects. You will recall that the Economic and Social Council requested me to make reports to its next session on both technical assistance for economic development and methods of financing development projects themselves.

I look upon these plans for an expanded United Nations program for technical assistance and for financing economic development as affording a major opportunity for constructive action by the United Nations and the Specialized Agencies during the months ahead.

In addition to Mr. Owen, the Secretariat Party to Washington will include Mrs. Alva Myrdal, top-ranking Director of the Department of Social Affairs, Mr. Martin Hill, Director of Coordination for Specialized Agencies, Mr. David Weintraub, Director of the Division of Economic Stability and Development, and Mr. Perez-Guerrero, Advisor on Coordination.

I expect that Mr. John J. McCloy, President of the International Bank, Mr. Camille Gutt, Director of the International Monetary Fund, and Sir Herbert Broadley, Acting Director of the Food and Agriculture Organization, will represent their agencies at the meeting in Washington.

Assistant Director-General C. W. Jenks is expected to represent the International Labor Office. Dr. Frank Calderone, Director of Liaison Services, will represent the World Health Organization; Dr. C. E. Beeby, Assistant Director-General in charge of Education of UNESCO; and Mr. E. R. Marlin, the International Civil Aviation Organization.

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#### ASIA PREFERS U. N. AID TO DIRECT GRANTS, ASSISTANCE BOARD CHIEF SAYS AFTER TOUR

Special to the New York Times

UNITED NATIONS, New York, March 2.—The head of the United Nations Technical Assistance Board reported today that Asian leaders preferred aid channeled through the international organization to help given directly from the United States or the Soviet Union.

David Owen, executive chairman of the Board, expressed the opinion at an interview on his return from a 6-week tour of the Far East. Leaving New York January 1, he visited the Philippines, Thailand, Malaya, Burma, Indonesia, Ceylon, India, and Pakistan.

Leaders in the Orient are aware, Mr. Owen noted, that economic aid from individual nations may be an element in advancing political aims in Asia. He added that in country after country spokesmen had emphasized the importance of placing outside aid under the administration of "international institutions."

Prime Minister Jawaharlal Nehru of India, Mr. Owen said, was among those who had underlined the "international multilateral approach" in economic assistance.

Some nations, including India, Indonesia, and Burma, the technical assistance chief said, are willing to accept Soviet experts. But Indian opinion, he asserted, is emphatic that all aid must be "without strings." Other countries of the Far East were less willing to take Russian technicians.

In India, Mr. Owen explained, "multilateral aid" through the United Nations is preferable because it brings in experts from many countries "through a club of which India itself is a member."

The prevailing sentiment, he said, was that the United Nations now consider enlarging its technical-assistance program. It now is spending approximately \$28 million a year.

Mr. Owen reported that he had observed 2 Soviet technical programs in operation. One was in Calcutta, where half a dozen persons are establishing a statistical institute. In Burma, he said, 2 Soviet mining engineers are surveying coal-shale resources.

Mr. MORRIS. Document No. 312 is called TA Chronology, a name given to it by the transmitting organization. The part we are particularly interested in starts on page 13. I would like to offer the whole thing for the record.

Senator JENNER. It may go into the record and become a part of the official record.

(The document referred to was marked "Exhibit No. 312" and is as follows:)

#### EXHIBIT No. 312

#### TA CHRONOLOGY (MULTILATERAL)

##### *1 January 1942: Washington, D. C.*

Twenty-six Allied Nations pledged themselves to cooperate in winning the war against the Axis Powers and at the same time formally subscribed to the Atlantic Charter, naming themselves in this declaration "United Nations."

Comment: According to the original concept, therefore, the United Nations are countries, not an organization. This concept continued without confusion until the Dumbarton Oaks conversations among representatives of U. S. S. R., United Kingdom, and United States (21 August–28 September 1944), at which time it was proposed that the "general international organization (to be established) for the maintenance of international peace and security"<sup>1</sup> should be called "The United Nations." Thereafter, all actions which had been undertaken in the previous two and one-half years by the countries which had named themselves United Nations in the Atlantic Charter pact became confused in the public mind with actions by the organization which was later established as a result of the San Francisco Conference.

##### *18 May–3 June 1943: Hot Springs, Virginia*

Conference of 44 nations proposed establishment of a permanent international organization, to be known as the Food and Agriculture Organization of the United Nations. Purpose of the Organization: To assist Governments to raise levels of nutrition and standards of living of peoples under their jurisdiction and to improve efficiency of agricultural production and distribution.

Comment: The words "of the United Nations" in the name suggested for the proposed international organization meant the Food and Agriculture Organization of the countries which had named themselves United Nations in the Atlantic Charter Declaration on 1 January 1942. The words "of the United Nations" in FAO's name do not mean of the organization which was established 2½ years later as a result of the San Francisco Conference.

##### *22 August 1944: Washington, D. C.*

Draft Constitution of the Food and Agriculture Organization (FAO) published and sent to Governments for ratification.<sup>2</sup>

Article I of the FAO Constitution states, in part: "It shall also be the function of the Organization (a) to furnish such technical assistance as governments may request."

##### *25 April–26 June 1945: San Francisco, California*

Charter of United Nations (organization) drafted and submitted to governments for ratification.

Comment: No mention is made in the United Nations Charter of technical assistance. The organization to be launched by this Charter had not been conceived as a technical organization, but was repeatedly referred to in all early official statements<sup>3</sup> as a "general international organization," the purpose

<sup>1</sup> United Nations Chronology, 1 January 1942–30 April 1947: page 2, Moscow Declaration, and page 6, Dumbarton Oaks Proposals.

<sup>2</sup> The FAO Constitution was the product of a year of careful work by representatives of the 44 governments which had attended the Hot Springs Conference (18 May–3 June 1943). These government representatives were experts in fields of food and nutrition, agriculture, forestry, and fisheries. They constituted an Interim Commission on Food and Agriculture (July 1943–October 1945), which was set up by the governments at Hot Springs, to plan the permanent international organization on food and agriculture, which they had recommended.

<sup>3</sup> First official call for establishment of a "general international organization \* \* \* for the maintenance of international peace and security" (later to appear as United Nations Organization) came in Moscow Declaration of China, USSR, UK, and USA—30 October 1943.

Second official consideration was given to formation of a "general international organization" in Dumbarton Oaks Conversations among U. S. S. R., U. K., and U. S. A. in the first phase—21 August–28 September 1944; and among China, U. K., and U. S. A. in the second phase—29 September–7 October 1944. On 9 October 1944, there was published "Dumbarton Oaks Proposals for the Establishment of a General International Organization."

The Yalta Conference issued a joint statement by President Roosevelt, Prime Minister Churchill, and Marshal Stalin (11 February 1945), announcing that a conference of United Nations (referring to the countries which were United Nations) should be called to meet at San Francisco on 25 April 1945 "to prepare the Charter for a general international organization."



of which was to provide means of international cooperation "for the maintenance of international peace and security."

*30 May 1945: Washington, D. C.*

Announcement issued by the FAO Interim Commission that governments had ratified the Constitution of the Food and Agriculture Organization (FAO), thereby enabling that Organization to be brought into existence.

*16 October—1 November 1945: Quebec, Canada*

First Conference of the Food and Agriculture Organization (FAO) convened, at which time the Organization came formally into being.

Comment: The delegates from FAO's member governments reached agreement at their first conference that FAO must not be merely a fact-finding agency, but must play a positive role in assisting governments to realize their goal of freedom from want. Not only did they approve the reference to technical assistance in Article I of FAO's Constitution, but it was clear from the deliberations of the conference that FAO's member governments meant technical assistance to be an important part of the work for which they had created the Organization.

It is important also to note that the member governments of FAO at their first conference agreed that they would regularly review in advance the work to be done by this Organization, and that all members would help to finance the approved work by making direct payment to the Organization of specified amounts, in accordance with an agreed scale of contributions.

*24 October 1945: Washington, D. C.*

U. S. Secretary of State signed the Protocol, which, in accordance with Article 110 of the United Nations Charter, attests entry into force of the Charter. Article 110 of the Charter states that it would come into force when the five permanent members of the Security Council and a majority of the other states which had signed the Charter at San Francisco had deposited their ratifications with the U. S. Department of State. On 24 October 1945, the five permanent members and twenty-four other states had deposited their ratifications.

Comment: This was the U. N. Charter as drafted at the San Francisco Conference, and contained no reference to the United Nations (Organization) engaging in technical assistance work.

*3 May 1945*

FAO undertook its first technical assistance assignment, which was financed by regular funds appropriated to it by its member governments.

In response to a request from the Government of Greece, FAO sent a group of experts to make an on-the-spot study of major Greek agricultural problems, and to develop and recommend to the Greek Government a program for rehabilitation and future development of Greek agriculture, land and water potentialities, and related industries. Included in the mission were experts in land use and reclamation, agricultural experiment station work, agricultural extension and related services, dairy industry, irrigation, rural sociology, and agricultural economics.

*11 December 1946*

International Children's Emergency Fund (UNICEF) established by the United Nations General Assembly.

In the General Assembly action, it was specified that the Fund was to be used for the benefit of children and adolescents in countries victimized by aggression. It was to consist of assets made available by UNRRA or voluntary contributions by governments, voluntary agencies, individuals, or other sources. It was to be administered by an Executive Director under policies established by an Executive Board, in accordance with principles laid down by the Economic and Social Council of U. N. (ECOSOC) and its Social Commission.

Comment: This body is a part of the U. N. (Organization). It should not be confused with the Specialized Agencies, which are autonomous bodies, established by governments to operate in clearly defined fields under terms of separate constitutions.

As originally constituted, UNICEF was intended to be a temporary agency for handling relief needs of children in war-devastated countries. As its work got under way, however, much of it took on characteristics of technical assistance services, largely in fields in which WHO and FAO had been assigned responsibility by their member governments. (See page 25, under date of 1 December 1950.)

December 1946

The General Assembly of the United Nations noted that "Members of the United Nations are not yet all equally developed" and asked ECOSOC to "study the question of providing effective ways and means for furnishing, in cooperation with the Specialized Agencies, expert advice in the economic, social and cultural fields to Member Nations who desire this assistance."

Comment: The significance of this resolution (52 [I]) is that it was seized upon by some members of the U. N. secretariat as a mandate for them to take aggressive leadership in bringing Specialized Agency technical assistance programs into line with U. N. plans for "balanced" economic development, as well as authority for U. N. to start action on technical assistance programs of its own. (See p. 6, under date of 8 January 1947.)

Examination of the records of the meetings which produced this resolution (52 [I]) reveals that on 9 November 1946, during committee discussions of an item placed on the General Assembly agenda by Lebanon, "Creation by U. N. of Advisory Boards," representatives of some underdeveloped countries stressed need for providing machinery to furnish expert advice to member governments, "especially concerning the less developed countries whose orderly development is a matter of concern to the U. N. as a whole."

The Australian representative, and others, while expressing sympathy with the objectives of the Lebanese resolution, drew attention to the fact that several Specialized Agencies were by their constitutions authorized to supply advice of the kind desired within their special fields.

The representative of the United States then proposed to include in the resolution a reference "to the cooperation of the Specialized Agencies with respect to the supplying of expert advice," Australia, Chile, and Norway still objected to the resolution, but when further modifications were offered by the Chinese representative, they said they could accept, if the U. S. and Chinese amendments were adopted. The resolution was sent to the plenary General Assembly without further discussion. In plenary, it was read by a rapporteur in a session characterized by delegates as "overloaded." There was no reaction, whatsoever, and the resolution was merely rubberstamped and rushed through without a word of comment, along with many others which were similarly handled in the closing days of the first General Assembly.

14 December 1946

The General Assembly of the U. N. approved a budgetary arrangement (\$670,186) under which U. N. would continue UNRRA advisory social welfare functions, to be given when requested *in connection with distribution of certain supplies* which would remain at termination of UNRRA (then tentatively scheduled for January 1, 1947). The General Assembly resolution specifically excluded all advisory social welfare functions related to displaced persons, since those activities were to be handled by the then-existing International Refugee Organization (IRO).

Comment: This resolution (58 [I]) has also been claimed by the U. N. secretariat as the point at which the General Assembly authorized the U. N. to engage directly in technical assistance. It is implied that the member governments of U. N. consciously put the U. N. (Organization) into the business of executing technical assistance as early as the first session of the General Assembly, thereby remedying the oversight of direct mention of technical assistance in the U. N. Charter. In U. N. publications, there is the implication that the origin of the Expanded Technical Assistance Program, which was established under a U. N. central fund in 1949, was an outright growth of this General Assembly resolution on advisory social welfare services, as well as of the resolution discussed in the preceding section of this paper, in which the General Assembly asked ECOSOC "to study the question of providing effective ways and means for furnishing, in cooperation with the Specialized Agencies, expert advice \* \* \*."

The fact that the ILO had been providing technical assistance in labor, social, and certain kinds of industrial development problems for 25 years is overlooked by these claimants for U. N. authority; as is the further fact that the FAO Constitution, ratified by governments more than a year earlier, makes the provision of technical assistance a major function of that organization.

A study of the discussion leading to adoption by the United Nations General Assembly of this resolution on advisory social welfare services reveals beyond question that the delegates were not consciously putting the U. N. (Organization) into the business of performing technical assistance. They were merely

finding a way to continue advisory services which they felt should accompany distribution of the supplies which would still remain when UNRRA was terminated. It is clear that they, at that time, considered the activity to be temporary. Also, since UNRRA's advisory social welfare services relating to displaced persons were turned over to the Interim Commission of IRO, the question now arises whether many of these activities to which U. N. fell heir to in this resolution (such as rehabilitation of children crippled by war action) should not have been turned over to the Interim Commission of WHO, instead of to U. N.

8 January 1947: *Lake Success, N. Y.*

Meeting called by David Weintraub, Director of the Division of Economic Stability and Development, Department of Economic Affairs, U. N.

The purpose of the meeting was to consider what immediate steps might be taken through the U. N. secretariat toward the attainment of balanced programs of economic development, including provision of technical assistance. Organizations represented, with number of persons from each noted in parenthesis: FAO (2 representatives); International Bank (3 representatives); International Labor Office (1 representative); International Monetary Fund (2 representatives); UNESCO (1 representative); WHO (2 representatives); United Nations (11 representatives).

Comment: This meeting was the first open move by the U. N. secretariat to exercise control over the technical work being done by the Specialized Agencies.

A major part of the discussion centered around a draft paper circulated by Mr. Weintraub, covering the functions that might be performed through the U. N. secretariat to accomplish the desired balanced programs of economic development. Steps the U. N. Secretariat proposed to undertake to bring about coordination of development plans and programs were outlined.

Representatives of the International Bank for Reconstruction and Development were extremely cautious and took the defensive frequently during the discussion of this paper. They resisted vigorously the suggestion that the U. N. might review applications for development loans that were turned down to ascertain how financial obstacles to development might be overcome. They likewise had reservations on the extent to which a political body like U. N. should seek to coordinate the efforts of Specialized Agencies in carrying out their prescribed technical functions.

As finally drawn up by the U. N. Secretariat, the paper was not considered as official by the Specialized Agencies, nor did they agree that it reflected their views. However, Mr. Weintraub wrote on January 10, 1947, to all of the Specialized Agencies which had been present at the meeting on January 8, that "it (the paper) will be used by the U. N. Secretariat as a guide in our own work."

In its final state, Mr. Weintraub's paper retained in it:

(1) Provision that the "Secretary-General should regularly consult with other United Nations agencies concerned for the purpose of facilitating the most effective and expeditious use of the financial and technical resources of the several United Nations agencies concerned with the achievement of balanced economic and social programs" (—this, despite the fact that use of the financial and technical resources of each of the several agencies, under terms of their separate constitutions, is strictly the business of their own member governments, which decide their programs and provide the money to pay for them).

(2) Provision that the "Secretary-General (of U. N.) should keep under continuous review the progress of development in the less-developed countries or areas so that \* \* \* he may be in a position to take or promote appropriate action to ensure that development programs (in these countries) are consistent with the general objectives and other activities of the United Nations in the economic and social field" (—this, despite the fact that development programs in all countries are the responsibility of their own sovereign governments, and in no case are they subject to interference from outside or "foreign" authority, not even that of the Secretary-General of the United Nations).

(3) Provision that, "Except for specialized requests clearly within the scope of the several agencies (an insertion insisted upon by the Specialized Agencies), the Secretary-General should, in cooperation with the other United Nations agencies concerned, make appropriate arrangements for the provision of such technical assistance to member governments as will enable them to plan and carry out balanced development programs as speed-



ily and as competently as possible." (This was the U. N. Secretariat response to the "authority" obtained three weeks earlier by the half-hearted resolution of the General Assembly which had started as a proposal to establish advisory boards for U. N. and, without adequate discussion of the implications involved and in the face of reminders from major powers that Specialized Agencies were authorized by their constitutions "to supply advice of the kind desired within their special fields," ended as a request to the ECOSOC to "study the question of providing effective ways and means for furnishing, in cooperation with the Specialized Agencies, expert advice in the economic, social, and cultural fields to Member Nations who desire this assistance.")

Such a study had not yet been undertaken by ECOSOC when Mr. Weintraub's paper stated on January 8, 1947, that "The Secretary-General should \* \* \* make appropriate arrangements for the *provision* of such technical assistance." Nor did the General Assembly for another two years authorize the United Nations to engage in cooperation with the Specialized Agencies in technical assistance for economic development (Res. 200 [III]).

19 February, 1947

FAO signed an agreement with UNRRA (then scheduled to go out of existence during 1947) to assume agricultural services of a long-term nature which that agency had been performing in so-called "UNRRA countries." Under terms of the agreement, FAO received \$1,135,000 to pay salaries of experts assigned to do technical assistance work, but was limited in making expenditures from this fund to those countries only which had been receiving aid from UNRRA.

FAO insisted, however, upon integrating the work done under the UNRRA grant with the regular work of the Agriculture Division of FAO, utilizing the services of its regular staff experts for negotiation with requesting governments and for technical supervision and general administration. In addition, projects carried out with UNRRA funds were to be subject to the same policies, rules and regulations as governed other FAO work. Also, FAO member governments were to review programs and budgets of UNRRA-grant activities, just as they did the regular work of the Organization. In other words, the activities carried out under the UNRRA grant were handled as an expansion of the regular technical assistance work of FAO, with the only "separation" being in the books kept to record expenditures.

Coordination of UNRRA-financed work done by FAO with those UNRRA activities which were transferred to other international agencies (World Health Organization, United Nations, etc.) was expected to be handled through the regular machinery which had been established to coordinate the regular programs of the several international organizations. It was not considered necessary to erect new machinery to coordinate UNRRA-grant activities, inasmuch as these activities were similar in all respects to the regular work of the organizations to which they had been transferred, except that they were financed by UNRRA grant instead of by dues paid directly to each of the international organizations by their own member governments.

Comment: The experience obtained from operating UNRRA-grant activities as an integral part of the regular program of FAO (and of other international organizations) might usefully have been considered as a precedent for operation of the U. N. Expanded Technical Assistance Program. The alternative chosen of establishing a central fund under control of the United Nations (Organization), while the actual work is done by several international organizations, had neither precedence in international affairs, nor legal basis in the separate constitutions of the international organizations concerned.

Years 1947, 1948, 1949

A partial, though representative list of technical assistance activities carried out by FAO at request of member countries in the years preceding establishment of the U. N. central fund:

*Austria*.—Experts to assist the Government with projects in farm machinery, livestock improvement, and general agricultural development.

*Bolivia*.—Agronomist sent to assist the Government with problems of agricultural production in mountain areas (Altiplano survey).

*China* (Before Communist overthrow of the Nationalist Government and withdrawal of China as a member of FAO).—Assisted the Government with projects in agricultural economics, research and extension, livestock development, animal disease control, agronomy, small grains, tropical crops, horticulture, entomology, fertilizer manufacture, farm machinery, cotton ginning, irri-

gation and drainage, food processing, conservation, silviculture, well-drilling, marketing and distribution, vitamin oil and pill processing.

*Czechoslovakia* (Before Communist overthrow of the Government and withdrawal of Czechoslovakia as a member of FAO).—Projects in livestock development, animal disease control, crop ecology, food processing, and construction engineering for food-freezing plant.

*Ecuador*.—Experts sent to assist the Government in restoration of irrigation system and storage facilities which had been destroyed by earthquake.

*Ethiopia*.—Projects in agricultural development and animal disease control.

*Greece*.—Projects in nutrition and food management, fisheries development, food processing, irrigation, and land drainage.

*Italy*.—Projects in food processing, agricultural extension, animal disease control, crop ecology, forestry, soil conservation, and range management.

*Nicaragua*.—Mission sent to advise the Government on agricultural development, including experts on agricultural practices, livestock development, and forestry.

*Poland* (Before withdrawal of Poland as a member of FAO).—Projects in farm machinery, animal disease control, insect control, forestry, and bovine sterility. In addition, a comprehensive mission sent to advise the Government on agricultural development, including experts in: agricultural research, human nutrition, soils and fertilizers, fruit and vegetable production, grain production and marketing, land utilization, processing and marketing of animal products, animal husbandry, forestry, and agricultural economics.

*Thailand*.—Two missions sent—

A. Agricultural development.

B. Fisheries development, including experts in fresh water fisheries and marine fishing and marketing.

*Venezuela*.—Mission sent to assist the Government with a project in development of oil seed resources, including experts in fats and oils proteins, insect and plant ecology, and agronomy.

In addition to technical assistance work which was carried out by FAO within individual countries, the Organization also conducted a number of training schools during these years, in which several countries in a region participated. Some of these were:

(1) Hybrid corn development: held at Bergamo Experiment Station, Italy—for countries of Europe—July–August 1947.

(2) Artificial insemination: Milan, Italy—for countries of Europe—August 1947.

(3) Soil conservation methods: Florence, Italy—for countries of Europe—September–October 1948.

(4) Control of Infestation of Stored Products: Florence, Italy—for countries of Europe—September 1948.

(5) Preservation of Foods by Quick Freezing and Cold Storage: Copenhagen, Denmark—for countries of Europe—October 1948.

(6) Animal Disease Control: Warsaw, Poland—for countries of Europe—November 1948.

(7) Rinderpest Control: Nairobi, Kenya—for countries of Africa—October 1948.

Still another form of technical assistance provided by FAO in the years preceding the U. N. Technical Assistance Fund was the establishment of regional bodies, through which a number of member governments concerned with a long-range problem could work with each other over a period of time. Examples:

(a) International Rice Commission—through which Asian governments are cooperating in a program of rice breeding, aimed at increasing production by means of developing better varieties and increasing disease resistance in the plant stocks.

(b) Indo-Pacific Fisheries Council—through which countries work together to develop fisheries of the area.

Another kind of technical assistance provided by FAO before the U. N. Fund was provision for member countries of such services as:

(a) Seeds for experimental purposes.

(b) Catalogue of Genetic Stocks, through which plant breeders can locate breeding stocks, thus eliminating long searches for plant stocks having needed characteristics, which was a major factor of delay in plant breeding in the past.

Comment: The above partial listing of technical assistance activities work undertaken by FAO during 1946-49 will illustrate:

(1) That FAO had amassed considerable experience in providing technical assistance before President Truman's inaugural Point 4 prompted the U. S. Department of State to initiate a central fund in U. N. to finance multi-lateral technical assistance.

(2) That FAO's program was completely international, involving financial and technical cooperation by countries all over the world.

(3) That it did not duplicate nor conflict with technical assistance programs being carried out by any of the other international organizations in the U. N. family, for the reason that FAO's work is confined by its own constitution to a clearly specified field in which no other of the international organizations has any authority to work.

(4) That requesting governments had full authority to decide, on the basis of their own country programming, how much and what kind of help they needed from FAO, since no technical assistance was provided except at request of a government, and then always on the principle that FAO's task was merely to help the government with its own program.

(5) That technical assistance, being a part of the regular work of FAO, could easily be coordinated with the program being carried out by the other international organizations in their fields of competence, simply by making use of the coordinating machinery which exists to coordinate the whole of the programs of the several organizations in the so-called U. N. system (i. e., reports to the Economic and Social Council, the Administrative Committee on Coordination, and participation in the various consultative committees).

(6) That there was full opportunity for governmental review of FAO's technical assistance activities, since all work done by the Organization must be approved in advance by government representatives in its full Conference and/or its Council.

(7) That there was ample assurance to governments of honest and efficient handling of funds spent by FAO in technical assistance work, since the same financial regulations were applied to the handling of money for technical assistance as were applied to the appropriations from member governments for the balance of the Organization's work—with the same careful scrutiny by the FAO Conference (consisting of representatives of all member governments); Council (an 18-nation policy body); Committee on Financial Control (finance experts appointed by governments); external auditors (seconded from governments); and internal auditors (hired to make regular check on handling of funds).

(8) That governments were represented in FAO by the right people to pass upon the technical assistance work done by this Organization, since they were officers from Ministries of Food, Agriculture, Forestry, and Fisheries—and were, therefore, not only competent to judge the merits of the work, but were themselves responsible for carrying out the programs in their own home countries.

(9) That requesting governments assumed a substantial share of the costs of all FAO technical assistance projects, since the projects were in all cases planned and executed by the national government, with FAO supplying only that part which could not be obtained within the country (usually the services of technical experts).

(10) That the system of handling technical assistance in food and agriculture as part of FAO's regular program provided opportunity to appropriating bodies of contributing countries to know in advance what their money was to be spent for, as well as to permit them to express their opinion (by regulating the size of their appropriation) on the relative emphasis which should be placed on the various fields in which technical assistance is done (i. e., food, health education, public administration, overhead, etc.).

All of the advantages now being claimed for the U. N. central fund system seem, therefore, to have existed in the program which preceded it. The earlier program, however, did not impose costly administrative overhead on the technical programs, which the U. N.-fund program has developed; nor did it create the threat of political interference with technical programs.

December 1948

The U. N. General Assembly (Res. 200 [III]) appropriated \$288,000 for the year which began January 1, 1949, with which the secretariat of the U. N. could commence a *technical assistance program* in those fields of activity for which no Specialized Agency existed, and instructed the secretariat to make concrete



plans for an international center for training in public administration (Res. 246 [III]).

Comment: Except for the earlier action authorizing post-UNRRA advisory social welfare services, this appropriation of \$288,000 was the first major budgetary action by member governments of the United Nations to authorize that Organization to engage in technical assistance work. This step came 3½ years after governments had ratified the FAO Constitution which specifically authorized FAO to furnish technical assistance to countries on request. It came, also, at a time when governments had already developed an international technical assistance program, which they were carrying on through FAO and other Specialized Agencies on a scale of about \$5,000,000 per year.

*January 20, 1949*

President Truman, as the 4th point in his inaugural address, announced that the United States "should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. \* \* \* This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies wherever practicable."

*February 25, 1949*

Assistant Secretary of State Willard Thorp, U. S. representative on the U. N. Economic and Social Council (ECOSOC), opened debate at ECOSOC with the U. S. proposal that Secretary-General Trygve Lie (of U. N.) should prepare for the July meeting of ECOSOC a concrete program for enlarging the activities of the U. N. and the Specialized Agencies in the field of technical assistance. The Secretary-General was asked to consult with the Specialized Agencies through the Administrative Committee on Coordination (on which each international organization is represented by its administrative head, with the Secretary-General of U. N. serving as chairman).

Comment: The U. S. representative to the U. N.'s Economic and Social Council took this first step to center the expanded program of international technical assistance in the U. N. (Organization) at a time when discussions within the U. S. Government on how to implement President Truman's Point 4 had barely started. There is nothing in the record now to indicate how the United States Government arrived at its position so early on this fundamental question, which had such far-reaching implications for the programs of all of the Specialized Agencies.

The question had not been raised in the newly formed Inter-Departmental Advisory Committee on Technical Assistance whether that portion of the Point 4 money to be allocated to international channels should be utilized to set up a new and centralized program under U. N., or whether it should be used to strengthen the separate agencies of the international structure by direct dealing with the several international organizations in whose work the U. S. participated and to which the U. S. paid its membership dues directly.

Despite the fact that the Secretary of Agriculture had been named by the President as the responsible officer for coordinating U. S. Government participation in FAO, the advice neither of the Secretary of Agriculture nor of his staff was sought before a decision was made on this matter, which was of profound concern to FAO. There was, likewise, no discussion of this question in the U. S.-FAO Inter-Agency Committee (the body from which U. S. delegations to FAO are drawn).

U. S. delegations to other international organizations were equally ignored, as were other Departments and agencies of the U. S. Government which are primarily concerned with certain of the Specialized Agencies (Dept. of Labor for ILO; Public Health Service for WHO, etc.).

Members of Congress, who had studied each of the separate charters or constitutions of the international organizations before approving U. S. membership in them, were not consulted before this move was made, though it might conceivably result in such changes that U. S. obligations under these charters might be affected.

In the same way, important citizens' groups (farm organizations, labor unions, medical and health associations, etc.), which serve as advisers to U. S. delegations to the various international organizations, were overlooked.

As far as can be ascertained now, it would appear that the Department of State made an internal administrative decision to centralize the international portion of the proposed new program of technical assistance in U. N. and then took immediate steps to get action in that direction by the U. N.. Ordinarily,

when action is taken by representatives of governments in one international body, the die is cast for all the rest, since another set of representatives sent by the same governments to a different international organization would find it embarrassing to undercut the position already taken for their governments by the first group. Obviously, a government cannot take a different position in each international organization it attends.

In the same way, action in U. N. can be used to stop effective discussion by national groups of the issues involved, since any question of the correctness of the decision made can be answered by pointing out that many governments participated in the international decision, and it would be unseemingly for national groups to try to get their one government to try to upset the majority decision.

#### *February-May 1949*

U. S. Inter-Departmental Advisory Committee on Technical Assistance met frequently to make plans for implementing President Truman's Point 4.

Comment: Insofar as the multilateral program was concerned, the only issue threshed out by this group was whether any of the Point 4 money should be channeled through the international organizations. In spite of the President's inaugural statement that "this should be a cooperative enterprise in which all nations work together through the United Nations and its Specialized Agencies wherever practicable", there were powerful advocates for making the Point 4 program wholly bilateral.

The Department of State did make itself the spokesman for the multilateral approach, and did prevail to the extent of getting agreement to earmark some of the Point 4 money for use in a "U. N. program".

The question of centralization of the funds in U. N. versus direct payment to the separate international organizations was not raised. The Assistant Secretary of State had made a proposal in the U. N. Economic and Social Council, and as a result of ECOSOC acceptance of his proposal, the international organizations themselves established an interagency working party to make recommendations for expansion of international technical assistance. Therefore, the Department of State took the attitude that the question of how the money was to be handled at the international level was not germane to the considerations of the U. S. Inter-Departmental Advisory Committee on Technical Assistance.

There is no indication in the record that any one questioned why it should not be germane for this Committee to help develop the position to be taken by the U. S. delegation to U. N. on all of the issues involved in expansion of international technical assistance work, including whether the U. S. should support the plan to create a new system with a central fund under control of U. N., or whether the U. S. delegations to each of the international organizations should work out a formula for expanding and strengthening the work already being done by these agencies under their regular budgets.

#### *March 4, 1949*

ECOSOC adopted the proposal which had been advanced by Willard Thorp of the U. S. A. on February 25, 1949 (Res. 180 [VIII]). This resolution requested the Secretary General of U. N., in consultation with the Specialized Agencies, to draw up an expanded program of technical assistance for economic development, together with suggestions regarding its administration and financing. This plan was to be submitted to the next session of the ECOSOC, to be held in Geneva in the summer of 1949.

#### *March 5, 1949*

The Secretary General of U. N. initiated interagency consultations on the proposed expansion of the international technical assistance programs by personal discussions with the executive heads of the agencies at Geneva, and again on March 16 at Lake Success, N. Y. The Specialized Agencies taking part in these and subsequent talks were: ILO, FAO, WHO, IRO, UNESCO, IMCO, the International Bank and Monetary Fund.

Comment: The Specialized Agencies stressed from the beginning of these talks that an agreement on the question of methods of administration and financing (which would involve the question of control of the program) was desirable before constructive work could be done on outlining a program. The views on methods of financing ranged from those of the Specialized Agencies, whose representatives favored each agency seeking funds through its own normal budgetary channels, to those of the U. N., which favored all appropriations for

technical assistance being made to U. N. and by it allocated to the participating agencies.

*March 31–April 12–April 28, 1949*

Three meetings of senior officers of the international organizations were called—each for the specific purpose of reaching agreement on the question of whether the money for the proposed expanded technical assistance program should be placed under U. N. control, or whether financing should follow the procedure already in effect for the technical assistance work which was being done by the Specialized Agencies under their regular budgets.

Comment: The Specialized Agencies agreed:

(1) That their desire was to avoid new and costly administrative machinery for handling what were essentially activities indistinguishable from those already being carried out under their regular programs.

(2) That the constitution or charter which established each organization reserved the rights of policy and program direction to its own member governments, and that arrangements could not now be adopted which would make the secretariats responsible to two sets of intergovernmental policy groups—their own member governments for that part of their program financed by dues paid directly to them by those governments, and also to the governing body of U. N. for the portion of their work which would be financed from a fund placed under control of ECOSOC or the General Assembly of the U. N.

(3) That it is essential to avoid entry of nontechnical or political factors into what should be essentially technical decisions in carrying out technical assistance work.

However, the unwillingness of U. N. to consider any compromise from its position, despite the fact that it was not shared by any other agency, limited the usefulness of these meetings as far as financial control and administrative procedures were concerned.

On the question of coordination of program, however, there was ready agreement by all of the Specialized Agencies on methods for strengthening interagency coordination machinery, not only to avoid possible conflict and duplication, but also to ensure that the work to be done in the separate technical fields would add up to an integrated whole. It was proposed to set up as part of the ACC structure (the ACC—Administrative Committee on Coordination—is a committee consisting of the executive heads of the international organizations, and which exists to assure coordination of their regular programs) a special committee to deal with the expanded technical assistance work. All of the agencies would be represented on this committee, and all of the programs to be carried out under the expanded programs would be compared, gaps and overlapping noted, cost estimates brought into line, and a report prepared on them. This report would be submitted simultaneously to the governing bodies of the various organizations, for their information and background in considering the supplemental budgets presented to them to cover these programs.

This technical assistance committee would also have before it the fullest possible information on what is being done bilaterally in the technical assistance field by governments, by international agencies, and by private organizations.

The committee would also be a place where joint or combined technical assistance activities or missions could be worked out.

The Committee was to have a small secretariat assigned to it from the agencies participating in the program.

*April 4, 1949*

A working party representing each of the international organizations was established to draw up programs to be carried out under the proposed expansion of their technical assistance activities. Within a few weeks all of the agencies, except U. N. and UNESCO, had submitted their proposals for programs, and the working party reviewed them and agreed on recasting them into comparable form. The International Bank and Monetary Fund submitted program statements, but said they did not expect to call for any funds in connection with the proposed expanded program.

After considerable work had been done in reviewing and recasting the program proposals for the other agencies, the U. N. and UNESCO presented their programs. The U. N. program, as it finally appeared, assumed that some form of centralized financing would be agreed upon and, therefore, that U. N. would have responsibility for all technical assistance activities involving more than



one agency. It also assigned to U. N. interest in all fields not specifically assigned to other agencies—including the fields of fiscal policy and administration, banking, and industrial development. When it was pointed out that governments had given responsibility for these fields to the International Bank for Reconstruction and Development and the International Monetary Fund, U. N. Secretariat spokesman stated that if the Bank and Fund did not participate in the proposed technical assistance program, then there was no responsible agency for these fields and insofar as the "expanded" program was concerned, such work should be assigned to U. N.

Strong protests were made against the U. N. concept of centralization by all of the other agencies. It was decided to submit the whole matter to a meeting of the Administrative Committee on Coordination (executive heads of the international organizations) for resolution.

*May 18, 1949*

A meeting of the Administrative Committee on Coordination (ACC) was held, to which were submitted the programs which were proposed by the international organizations for the expanded technical assistance program. There was submitted also the conflict on the question of financing, with four alternative methods, for the adoption of one:

(1) A statement calling for complete decentralization of financing. This position was supported by the International Bank, the Monetary Fund, and FAO.

(2) A statement of the U. N.'s completely centralized financing scheme.

(3) A statement of a possible middle position presented by ILO, UNESCO, and WHO as a variant on the decentralized approach, but with provision for a small central fund for emergencies. (During discussion, the Bank and Fund indicated that they would have considered this as a compromise position, if U. N. would have done so, also.)

(4) A statement presented by ICAO which called for central collection of funds from governments and disbursement under the authority of a new intergovernmental technical assistance body.

During discussion of these papers by the ACC, it was apparent that none of these schemes was going to get unanimous support. The U. N. Secretary General finally agreed to a compromise calling for decentralized financing but providing that in U. N.'s technical assistance budget, there should be provision for a small supplementary fund to handle any expenses of joint operations not allocable to specific agencies and to meet emergencies. This compromise proposal was adopted unanimously by the ACC, and went to the ECOSOC as the final recommendation of the several international organizations on financing and administering the proposed expanded program of technical assistance.

This meeting of the ACC also approved unanimously the machinery proposed by the working party for coordinating activities of the several international agencies in this field (see p. 16). The programs proposed to be carried out by the agencies also met with ACC approval.

*May 25, 1949*

The report was issued by U. N., covering proposals of the several international organizations for participation in an expanded technical assistance program. This report was the response to the March 4, 1949, resolution of ECOSOC requesting submission of such proposals. (U. N. Document E/1327/Add., 1 May 1949.)

Comment: On the question of financing and administration, this report recommended that each international organization, which considered it necessary, should establish a special budget for technical assistance, and should invite its member governments to make contributions to this budget over and above their contributions to its normal budget.

In transmitting the report from the working party to ECOSOC, the Secretary General of U. N. advised ECOSOC that the U. N. Secretariat did not concur in the recommendations of the Specialized Agencies on methods of financing—that U. N. continued to prefer a central fund, to be centrally administered by U. N.

*June 10, 1949: Paris*

The Executive Board of UNESCO took the following action relative to the proposals for an Expanded Technical Assistance Program, to be carried out cooperatively by the several international organizations:

**"THE EXECUTIVE BOARD**

"Having heard the report of the Director General on the proceedings at the Committee on Coordination and having examined the document prepared by this Committee as a basis for the Secretary General's report to the Economic and Social Council;

"Noting \* \* \* that the Committee's proposals leave the financing and the conduct of technical assistance operations in the hands of each Specialized Agency, subject to consultation through the Secretary General's Committee on Coordination before the proposed program and relevant special budgets have assumed final form; \* \* \*

**"INSTRUCTS THE DIRECTOR GENERAL:**

"A. to prepare for the General Conference at its Fourth Session a supplementary budget for technical assistance, corresponding to the above program, such budget to be financed by contributions from those Member States which desire to participate;

"B. subject to the decisions of the General Conference, to implement this program of technical assistance:

"(a) to the extent of the requests for technical assistance received by UNESCO, either direct or through the United Nations or other Specialized Agencies, from countries desiring such aid;

"(b) subject to approval by the Executive Board of a detailed program and budget (including the assurance of adequate financial participation by the recipient country) for each proposed activity;

"(c) in close cooperation with the United Nations and the other Specialized Agencies, through the Administrative Committee on Coordination and any subsidiary body it may appoint for the purpose, with the object at all times of aiming at a truly integrated plan of technical assistance in which each organization contributes its special skills towards the single objective of human betterment in the widest sense."

*June 13-24, 1949: Paris*

The Council of the Food and Agriculture Organization (FAO) took the following action relative to the proposals for a Expanded Technical Assistance Program, to be carried out cooperatively by the several international organizations:

**"The Council**

"Having considered the report of the Administrative Committee on Coordination on Technical Assistance for Economic Development, prepared in accordance with the resolution of ECOSOC of March 4, 1949, and the Director General's proposals regarding FAO's participation therein, \* \* \*

"*Recommends* that the Director General should avail himself of the widest possible expert advice on methods which have been proved valuable in the development of underdeveloped areas, and that he should consult those countries which have had special experience in this field, either by consulting individual experts or groups of experts concerned, with the object of completing a report for submission to the Conference at the next session, comprising

(a) a survey of the diverse forms and techniques in which technical assistance can be given, and

(b) an examination of the resources available for specialized advice upon which calls might be made \* \* \*

"*Recommends* that the Conference at its regular session should examine the revised proposals of the Director General as a basis for decisions regarding the supplementary budget required for technical assistance \* \* \*."

Comment: In submitting proposals for FAO participation in the Expanded Technical Assistance Program to the Council of FAO (Sixth Session, Paris, France), the Secretariat did not report on the attempt made by U. N. to control the technical assistance programs of the other organizations by means of establishment of a central fund. Neither was there mention made to the FAO Council of the difficulties which had occupied the interagency group during most of the preceding 3 months. The FAO Secretariat did not ask for the guidance of the Council of FAO on the question of a centrally controlled fund, and, consequently, there was no discussion by this governmental body of the implications of the central-budget plan on operations of FAO, under terms of its separate constitution.

June 30, 1949

The Second World Health Assembly took the following action relative to the proposals for an Expanded Technical Assistance Program, to be carried out cooperatively by the several international organizations:

"The Second World Health Assembly

"Having considered the operating programme of advisory and technical services to Governments prepared by the Director-General and forwarded by the Executive Board \* \* \*.

"Having noted with interest and approval Resolution No. 180 (VIII) adopted by the Economic and Social Council on 4 March 1949, and that, by virtue of the above resolution, a comprehensive plan for an expanded cooperative programme of technical assistance for economic development through the United Nations and the Specialized Agencies has been prepared by the Secretary-General of the United Nations in consultation with the Executive Heads of the Specialized Agencies through the Administrative Committee on Coordination, and is to be submitted to the Economic and Social Council at its 9th Session,

"Approves that part of the programme contained in Official Records No. 18 as amended by this Assembly and which, for budgetary reasons, is called the Supplemental Operating Programme of Advisory and Technical Services, subject to arrangements having been completed to provide funds for its implementation, and further, as there is no financial provision in the 1949 Budget for more than one meeting of the Health Assembly,

"DELEGATES to the Executive Board authority to authorize the Director-General to undertake appropriate negotiations concerning the provision of funds to implement the Supplemental Operating Programme of Advisory and Technical Services; and further authorizes the Executive Board to act on behalf of the World Health Assembly until its next meeting in approving the results of such negotiations.

"EMPOWERS the Executive Board:

"1. To authorize the Director-General to accept and administer such funds \* \* \*

"3. To authorize the Director-General to negotiate agreements with Member Governments concerning the amounts and currencies of their contributions \* \* \*."

Comment: On July 1, 1949, the World Health Organization (WHO) issued the following press release from the Second World Health Assembly, in session in Rome, Italy:

"With the approval late on Wednesday night of a ten-million dollar supplemental budget for 1950, the World Health Organization becomes the first United Nations Specialized Agency to make definite provision for the implementation of the United Nations cooperative programme of technical assistance for economic development in underdeveloped areas.

"The 1950 supplemental budget, amounting to \$10,624,410, was approved in a meeting of the Joint Committee on Programme and Budget for financing by voluntary contributions from states members of WHO. The programme of advisory and technical services envisaged under the supplemental budget will be coordinated closely with the United Nations itself, and with similar programmes being planned by other Specialized Agencies \* \* \*.

"During the discussions which led up to the approval of the supplemental budget, several countries, including Ceylon, the Dominican Republic, India, the United States and Yugoslavia, indicated their willingness to make contributions. With the exception of Yugoslavia, however, which announced its intention to contribute \$40,000, delegates said they were as yet unable to make definite commitments on the amounts of their contributions."

\* \* \* \* \*

On September 12, 1949, the World Health Organization (WHO) issued the following press release:

"Ceylon today became the first country to participate in the Technical Assistance Programme of the World Health Organization by voluntarily contributing the sum of \$1,000 to the WHO supplemental budget for 1950.

"This was announced at the World Health Organization headquarters in Geneva today, as word was received that Ceylon had paid its regular contribution of \$2,013 to the 1949 WHO budget of \$5,000,000, and had in addition contributed \$1,000 to the technical assistance budget for next year.

"The Technical Assistance Programme of the World Health Organization is to be financed by member countries through voluntary contributions, according



to a decision of the Second World Health Assembly at Rome in June 1949. This supplemental programme, estimated at \$10,000,000, will enlarge the regular activities of WHO, paid for by a \$7,500,000 budget for which the 66 member nations of the Organization will be assessed according to the usual scale of contributions. The Technical Assistance Programme is to be specially devoted to underdeveloped countries where health problems are often the cause of lack of economic development.

"Several nations pledged voluntary contributions to the WHO supplemental budget during debate at the Second World Health Assembly, among them Ceylon, Yugoslavia, the Dominican Republic, India and the United States."

*July 1, 1949—Geneva*

The International Labor Conference (ILO) took the following action relative to the proposals for an Expanded Technical Assistance Program, to be carried out cooperatively by the several international organizations:

"The (ILO) Conference authorizes the Governing Body, in the event of its being possible to initiate an expanded programme of technical assistance for economic development before the 33rd Session of the Conference and pending submission of more detailed proposals to the Conference at that session, to make, in consultation with States Members and with the United Nations, and particularly with the Economic and Social Council, and with other Specialized Agencies, such interim arrangements as may be appropriate to permit the ILO to initiate such an expanded programme as part of the cooperative programme contemplated by the Economic and Social Council, and to obtain and to expend the necessary funds therefor."

\* \* \* \* \*

Comment: In a report accompanying the resolution authorizing ILO participation in the proposed Expanded Technical Assistance Program, the ILO Conference commented as follows on Finance and Administration:

"The Conference has given careful consideration to the administrative and financial arrangements proposed in Chapter 5 of the report of the Secretary-General of the United Nations on Technical Assistance for Economic Development, and notes that the method of financing which is proposed represents an intermediate solution agreed upon unanimously by the Secretary-General and the executive heads of the specialized agencies after full consideration of the relative advantages and disadvantages of other possible methods.

"In the course of the consideration of the matter by the Conference, different views have been expressed concerning the extent to which the administrative and financial arrangements contemplated in these proposals provide for adequate coordination of the technical assistance programme as a whole.

"A system of financing the technical assistance activities of all the international organizations through a single central fund, would, it is suggested in certain quarters, make possible a more strict and effective central control over all such activities and would simplify the collection of contributions from Governments. In support of this view it was argued that central collection would help to keep expenditure within the limits of income.

"On the other hand, it is pointed out, there would be serious disadvantages in divorcing the responsibility for the collection of contributions from the operational responsibility for technical assistance activities which must necessarily rest with the several organizations concerned. Moreover, any system which provided for central control over the activities of the several organizations, as distinct from coordination by consultation and agreement, would be open to serious objection on account of the differences in the membership of the organizations.

"It is widely felt also that the system of separate budgets proposed by the Secretary General of the United Nations and the executive heads of the specialized agencies offers important advantages which heavily outweigh the merits claimed for centralized financing. Both the financial and the technical control of the technical assistance activities of the several international organizations are likely, it is considered, to be easier and more efficient if each organization is responsible for its own budget and its own activities. In the case of the ILO, such control, which would be exercised through the Governing Body, would enable the expanded technical assistance programme to be planned and administered in accordance with methods and principles which have been perfected through long experience.

"There is general agreement, however, that there should be some central point at which the total size of the expanded cooperative programme of technical assistance to be undertaken by the various international organizations could be fixed

and at which the size of the sums to be spent by the several organizations could be compared and adjusted. In this connection, one suggestion was that this process of comparison and adjustment could be achieved by a series of meetings of authorized representatives of the various specialized agencies concerned. It might be convenient to hold such meetings at the same time as the General Assembly of the United Nations.

"Whatever method of financing may be adopted, the budgetary provision made for the expanded programme of technical assistance should be kept separate from the ordinary budget of the Organization. Measures should be taken to ensure that the expanded activities do not outrun the funds available to finance them.

"The Conference attaches special importance to the proposals which have been made by the Secretary-General and the executive heads of the specialized agencies for the purposes of ensuring full and effective coordination of the technical assistance activities of the several international organizations. Such coordination is essential both in order to ensure that the fullest measure of service is rendered to the underdeveloped countries, and as a means of avoiding waste of effort and resources by the international organizations engaged in the programme. The arrangements devised to ensure this coordination should be of such a character as not to impair the responsibility of the executive heads of the several organizations to their respective governing bodies. In the judgment of the Conference, the administrative arrangements contemplated in the proposals referred to above are such as to satisfy this requirement, and they would seem to afford a basis for the development of an effective and closely coordinated programme. The Conference also recognizes that general responsibility for the coordination of the expanded technical assistance programme as a whole will rest with the Economic and Social Council."

*July 21-August 15, 1949*

The Ninth Session of the U. N. Economic and Social Council considered problems involved in economic development of underdeveloped countries, and "recognized that the economic development of underdeveloped areas required not only expanded efforts in technical assistance, but also assurances of an expanded rate of international capital flow for the purpose of financing economic development." (U. N. Bulletin, September 1, 1949, page 19.) Representatives of underdeveloped countries were primarily concerned with developing methods of financing large-scale development projects, but finally fell in line with the United States drive to establish an expanded international technical assistance program under the United Nations. Accordingly, two actions in the field of technical assistance were taken by ECOSOC:

(1) Proposals of the Secretary-General of U. N. were approved for continuation, enlargement, and making permanent the program of technical assistance to be carried out by U. N. on a regular basis, in contrast to the "expanded" program being proposed by the United States in that session of ECOSOC, in which the U. N. was also expected to participate. The preceding session of the U. N. General Assembly, meeting in Paris in 1948, had appropriated \$288,000 to finance provision by U. N. of fellowships and training facilities, and the dispatch of technical missions. ECOSOC now recommended to the General Assembly that \$676,000 be appropriated for these activities by the United Nations (Organization) during calendar year 1950, and that the General Assembly take the necessary action "to ensure that the regular budget of the United Nations should continue to provide the necessary funds."

Comment: This action by ECOSOC, and subsequent approval by the 1949 session of the U. N. General Assembly, constituted the first official step by member governments of U. N. to put U. N. permanently into operation of technical assistance programs. Unlike the FAO constitution, the U. N. charter does not state that technical assistance is a function of the organization.

(2) A resolution (222) was adopted to set out the financial arrangements, organizational machinery, and guiding principles for an "expanded cooperative technical assistance program of the United Nations and Specialized Agencies."

*Financial Arrangements.*—This resolution (222) established a central fund (Special Account), to be administered by the Secretary-General of the U. N., for financing the expanded technical assistance program. Contributions to this account were to be made by countries on a voluntary basis at a "pledging" conference, to be called by the U. N. Economic and Social Council "at such time as the Secretary-General finds appropriate." Member states of U. N. and the Specialized Agencies were to be invited to the conference, and were to be asked to make contributions to the program "in such form and subject to such condi-

tions as may be agreed between them and the Secretary-General, who should consult" with the Technical Assistance Board (a committee of representatives of U. N. and Specialized Agencies, of which the chairman was designated by ECOSOC as the U. N. Secretary-General or his representative).

ECOSOC specified that contributions to the Special Account for the expanded technical assistance program "should be made without limitation as to use by a specific agency, or in a specific country, or for a specific project."

ECOSOC further specified that "the U. N. Secretary-General should allot contributions received during the first fiscal year," as follows:

(a) The first \$10 million should be automatically available for transfer to the participating organizations, in accordance with percentages for each organization which were set by ECOSOC (UN, 23 percent; ILO, 11 percent; FAO, 29 percent; UNESCO, 14 percent; ICAO, 1 percent; WHO, 22 percent.

(b) Of the second \$10 million, 70 percent should be available for distribution to the participating organizations, and 30 percent retained for subsequent allocation.

(c) All contributions above \$20 million should be similarly retained.

*Organizational Machinery.*—In laying down administrative arrangements for the expanded program of technical assistance, ECOSOC resolution 222 created two standing committees:

(a) Technical Assistance Committee (TAC), which consists of representatives of the 18 governments which are members of the ECOSOC. Duties: to make "critical examinations of activities undertaken and results achieved"; to make such recommendations regarding the programs as it deems necessary to ECOSOC; to "review the working relationships between the participating organizations and the effectiveness of the methods of coordination in connection with their programs," and to arbitrate disputes.

(b) Technical Assistance Board (TAB), which consists of the executive heads, or their representatives, of the United Nations and the Specialized Agencies participating in the program. The resolution states that the chairman of TAB will be the Secretary General of U. N. or his representatives; the executive secretary is to be appointed by the Secretary General. Duties of TAB: to deal with coordination of and exchange of information on requests received by participating organizations for technical assistance; to make reports on funds and programs to the Technical Assistance Committee (TAC) of ECOSOC. In regard to staff for TAB, the Secretary General was requested to make appropriate arrangements for assigning members of the staff of participating organizations to that of TAB, as may be necessary.

*Guiding Principles.*—As a guide to the participating organizations, ECOSOC recommended a number of principles to be observed in carrying out the expanded technical assistance program. Generally speaking, these were not different from the aims and standards of operation set forth in the constitution and rules of the Specialized Agencies for the conduct of the technical assistance work already being done by them under their regular programs.

Comment: The resolution 222 (IX-A) as it was finally adopted by the ECOSOC was essentially that proposed and supported by the United States representative for operation of the expanded program of technical assistance.

It gives no recognition to the fact that member governments of four autonomous Specialized Agencies (FAO, ILO, WHO, and UNESCO) had already considered the proposed expanded program, and had approved participation in each case on the basis of decentralized financing, as recommended in the report which had been submitted to ECOSOC.

The decision to place all funds for the expanded technical assistance program in a special account, to be administered by the Secretary General of U. N., with contributions being made by governments on a voluntary basis at a pledging conference called by U. N., represented a rejection of the unanimously supported recommendations of the Specialized Agencies for financing and administering the program. It was adoption of the position held by U. N. alone.

Review of the records of meetings devoted to technical assistance during the Ninth Session of ECOSOC show that Willard Thorp (representing the U. S. A.) opened the discussion by making three points regarding the joint report which had been submitted by U. N. and the Specialized Agencies:

(1) The international organizations had indicated that they could effectively use \$25 million for the first year, and had outlined programs coming to that figure. Mr. Thorp requested that the figure be cut to around \$15-\$20 million.



(2) The international organizations had recommended that the new program be considered an expansion of their regular work, and suggested that governmental review of the programs take place in their various governing bodies, where governments are represented by delegates from appropriate technical ministries (i. e., from ministries of food and agriculture for FAO; from ministries of health for WHO, etc.). Mr. Thorp proposed, instead, that the ECOSOC should set up a technical assistance committee, composed of representatives of governments in that body, to review the technical assistance programs of all of the international organizations and recommend priorities.

(3) The international organizations had recommended machinery for coordinating the programs to be carried out in the separate technical fields, but had proposed that requests for funds be handled as supplemental budgets to be presented separately in each of the international organizations. Mr. Thorp proposed that funds to finance the expanded programs of technical assistance should be raised through voluntary pledges by governments at a technical assistance conference to be called by U. N. The wording of his suggestion carried with it the strong implication that the funds so raised should be centrally administered.

Mr. Thorp's speech was followed by a series of general statements by other delegates to ECOSOC. As stated earlier, the representatives of underdeveloped countries at first were lukewarm to technical assistance, but were willing to support the U. S. proposals. Their interest was in developing methods of financing economic development.

As the discussion went on, more support was evidenced for a centralized control of funds, and for an important voice in administration of the technical assistance programs to be given to the political representatives of governments present in U. N. The chief advocates of this viewpoint were the delegations of Australia, New Zealand, and Poland, supported on most points by the other Eastern European states and by India. Opponents of the concept of centralized control of policy and finance by U. N. were the U. K. and Brazil, supported in the main by Chile and France.

The position of the U. S. throughout the 3-week discussion continued to favor a central fund, to be placed in U. N., but there was a shift in the U. S. position at one point toward more complete supervision and control by governments represented in ECOSOC. When it became clear that several of the Specialized Agencies would withdraw from participation in the program if this position was accepted, the U. S. returned to its original position calling for a special account to be administered by the Secretary-General of the U. N.

The U. S. S. R., despite apparent general opposition to the proposed program, managed to insert a provision in the ECOSOC resolution calling on the Specialized Agencies concerned to report to the standing committee of governments in ECOSOC "on their technical assistance activities, including activities financed from the Special Account." It was this provision which finally made it impossible for the International Bank and Monetary Fund to participate in the expanded program as it was set up, since they stated that they could not enter into arrangements which would subject their regular programs to other authorities than those specified in the Articles of Agreement with their member governments.

As had been the case in the preceding February, when the U. S. representative first took the initiative to center the international portion of the Point 4 program in the U. N., the U. S. position in the summer session (1949) of the ECOSOC seems to have been reached by administrative decision within the Department of State and the U. S. Mission to U. N. There is no record now to indicate that consultations were held with any other groups, or that the matter was regarded as one which might have profound repercussions on the operations of the Specialized Agencies, which are autonomous and some of which were already operating extensively in the field of international technical assistance.

*November 16, 1949*

The U. N. General Assembly approved the resolution submitted to it by ECOSOC for establishing the "U. N. Expanded Technical Assistance Program."

*November 21, 1949*

Proposals for FAO participation in the U. N. Expanded Technical Assistance Program were submitted by the FAO secretariat to the 5th Session of the FAO Conference (C 49/13). The FAO Conference is the principal governing body of the Organization, in which all member countries are represented.

Comment: The FAO secretariat made no report to its member governments on the U. N. attempt to control the expanded program of technical assistance through centralizing the finances for the program in U. N. In the document presented to the 5th Session of the FAO Conference, there is assumption that the member governments of FAO need only give their blessing to FAO participation in the U. N. program and thereafter sums of money will be transferred from the U. N. fund to FAO for increased technical assistance activities by FAO, with no real change in FAO operations, except in scope.

As was the case with the FAO Council in the preceding June, no hint was given of the months of bitter disagreement with the U. N. Secretariat over its arbitrary stand regarding centralized control of the technical assistance fund, nor was there any request for consideration by the member governments of FAO of the implications on FAO of the "foreign rule" inherent in the central-fund approach to technical assistance. Consequently, when the FAO Conference merely approved FAO participation in the U. N. program as proposed by the FAO secretariat, the action was taken by the delegates without full information on past events or future implications.

#### *June 5, 1950*

Public Law 535, known as the "Foreign Economic Assistance Act of 1950," was approved by the 81st Congress of the U. S. (Chapter 220, 2d Session, H. R. 7797). Under Title IV of this Act (Sec. 404 (b)) the Congress authorized the President to participate in multilateral programs of technical assistance, under U. N. and other international organizations.

#### *June 12-14, 1950*

The first pledging conference was held under auspices of U. N., in New York City, in order to obtain money for financing the proposed U. N. expanded technical assistance program.

All U. N. members were invited to the conference, and 46 of the 59 attended. Other states having membership in one or more of the participating Specialized Agencies were also invited, and eight were present. Contributions approximating U. S. \$20,012,500 (but offered in currencies of contributing countries or scholarships or services rather than in dollars) were pledged to carry out the U. N. expanded program of technical assistance in its first phase, from July 1, 1950, to the end of 1951.

According to a report in the U. N. Bulletin (July 1, 1950), "Of the total, the United States contributed \$12,007,500; 49 countries made up the balance."

Quoting again from the U. N. Bulletin (July 1, 1950), "Mr. Thorp (representing the U. S.) announced the United States Government was prepared subject to Congressional appropriation, to contribute \$10,000,000 for the first period of operation, provided that other countries at the Conference contributed a total of \$7,000,000, or its equivalent. Furthermore, the United States was prepared to raise its contribution progressively up to \$12,500,000, provided that its share did not represent more than 60 percent of the total pledged. As the program was an expression of international cooperation, the United States felt that no country should dominate the program, either in responsibility or contribution."

Comment: The Foreign Economic Assistance Act of 1950 states (Sec. 416 [b]) : "Nothing in this title is intended nor shall it be construed as an expressed or implied commitment to provide any specific assistance, whether of funds, commodities, or services, to any country or countries, or to any international organization." Whether Mr. Thorp's pledge, modified by the qualifications "subject to Congressional appropriation," constituted a commitment is a question. Certainly the nations which were exhorted to match it 60-40 at the U. N. pledging conference considered it a commitment on the part of the U. S. Government.

How the U. S. representative arrived at the amount to be pledged at the U. N. conference is not clear from the records. Neither is it possible to find under what authority he offered to match contributions from other countries at a ratio of 60 percent. The Congress has repeatedly stated that the United States is to pay no more than one-third of any international fund.

The system of "matching" contributions seems also to have been decided without the consent of the appropriating authorities in Congress, since they have been highly critical that this method results in a representative of the Executive Branch obligating the U. S. Government to pay an amount of money which cannot be ascertained in advance, for programs which the Congress has no opportunity to approve.

One peculiarity of the pledging conference which becomes apparent now is that a major argument used by the United States when it was first proposed to establish a central fund in U. N. for the expanded technical assistance program, and for financing it by voluntary contributions obtained at a pledging conference, was that the member governments of the specialized agencies would not be willing to increase their contributions to their agencies for expanding technical assistance work. However, the nations were making their payments to such agencies as FAO in scarce United States dollars in 1950, and there were sharp limits on dollars available to them. When they made pledges at the U. N. technical assistance conference, they offered local currencies, scholarships, and services. The question now is, if they had been permitted to make supplementary contributions of that kind to organizations whose programs they were already supporting with dollars, would they not have done so? Since the other countries at the pledging conference offered their contributions in a hodge-hodge of currencies and services, there is at least room for doubt that the State Department argument was valid that countries will contribute only to a central fund in U. N.

In this connection, it should also be noted that member governments of FAO, WHO, ILO, and UNESCO had already indicated their willingness to consider establishment of supplemental budgets for technical assistance (see pp. 19 to 25). WHO had in fact, received pledges from five governments (Ceylon, Yugoslavia, Dominican Republic, India, and the USA) more than a year before, and had then received actual contributions of \$1,000 (United States) from Ceylon and \$10,000 (United States) from Yugoslavia, with an additional amount of 1,500,000 dinars (roughly equivalent to \$40,000) to be deposited in a Yugoslav bank for WHO technical assistance work.

#### *December 1, 1950*

The U. N. General Assembly voted to continue the U. N. Children's Emergency Fund (UNICEF) for another 3 years, after which it agreed to consider putting UNICEF on a permanent basis.

The United States representative abstained from voting, with the explanation that the United States "had hoped to see a fund set up on a permanent basis at the present Assembly session. It wanted to make sure that the United Nations would be advancing child-welfare programs, particularly in underdeveloped countries, as an integral part of the work of the United Nations." (U. N. Bulletin, December 15, 1950, p. 677.)

Comment: UNICEF was started (December 11, 1946) as an emergency operation to meet needs of children in war-devastated areas when UNRRA went out of existence. It inherited relief funds from UNRRA, received appropriations from governments and gifts from voluntary organizations and individuals. By mid-1950, UNICEF had received \$148,000,000. United States contributions are on a "matching" basis of \$72 for every \$28 contributed by other governments. To June 30, 1950, United States legislation authorized \$100 million for UNICEF on this basis.

Gradually the character of UNICEF operations shifted from "emergency relief" to long-range programs of a technical-assistance character. While all UNICEF work is presumably done for the benefit of children, the programs undertaken (according to a report by Maurice Pate, Executive Director of UNICEF, in an article in the U. N. Bulletin, July 15, 1950) are "mainly for the control of disease affecting children, for strengthening maternal and child health services, and at the same time providing facilities for training of national staff." These activities are indistinguishable from the work of WHO as assigned to it by governments under terms of its charter. In the same way, UNICEF's work in such fields as nutrition education and milk pasteurization, are identical with responsibilities assigned by governments to FAO.

Compared with budgets available to FAO and WHO, UNICEF's financial resources seem almost limitless. This factor, together with UNICEF's system of allocating sizable sums to requesting countries to help finance national programs poses a real problem to the two specialized agencies of major competition from UNICEF in their own technical fields.

Repeated incursions by UNICEF into technical fields for which WHO and FAO are responsible finally brought complaints from the two specialized agencies. UNICEF's response was to urge the two agencies to "cooperate" with them by attaching technical advisers to UNICEF missions. Unfortunately, the very limited budgets of the two technical agencies prohibit this, as does the fact that the member governments of these two agencies expect to approve in advance the work undertaken by them.



If UNICEF funds are used to pay salaries and travel expenses of FAO and WHO technicians who advise on UNICEF projects, the question presents itself whether it is wise for technically trained representatives of governments in FAO and WHO (i. e., Ministries of Agriculture and Health) to abdicate to UNICEF their right to evaluate the worth of projects being carried out in their fields of competence. Lay people are sent by governments to UNICEF and they are not necessarily qualified to deal with technical assistance work in the fields of health, nutrition, and agriculture.

#### U. N.'s REGIONAL ECONOMIC COMMISSIONS<sup>1</sup>

The Economic and Social Council of the U. N., which in the original concept was to engage in no action in the fields assigned to the specialized agencies, has established large Regional Economic Commissions in Europe, Asia, and Latin America (ECE, ECAFE, and ECLA). On the grounds that agriculture, forestry, and fisheries are the economic base of the regions these bodies serve, they have initiated studies, issued reports, and called meetings of governments to discuss these subjects, which are all in the field of FAO. In Europe, where FAO already had government committees to deal with agriculture and forestry, ECE set up committees of the same governments to work in the same fields as soon as it was formed. To prevent the matter from degenerating into a power struggle with U. N., FAO finally decided to supply the secretariats for the two ECE committees, which represents a considerable drain on FAO's slender resources. Following the same pattern, FAO eventually had to station agricultural economists at both the ECAFE, in Bangkok, and ECLA, in Santiago, in order to keep FAO's work tied in with the agricultural activities of those two bodies. Probably it is not a matter of paramount importance whether FAO does a job under its own name, or whether it does it behind the front of another agency, as long as the job gets done. But, when the problem of duplication is being considered, it is worthy to note that FAO may be losing the great values that come with establishing a reputation for skillful operation in its own field, and may, indeed, become a secondary factor in the economic aspects of the work assigned to it in its charter by being forced to become a "feeder" to U. N. and its regional commissions.

158. Economic reconstruction of devastated areas: report of the Second Committee: resolution (Documents A/233 and A/233/add.1)<sup>2</sup>

\* \* \* \* \*

Mr. LANGE (*Poland*)<sup>3</sup> \* \* \* We know that besides this problem, there is another very important problem, that of underdeveloped countries and of financial assistance toward their development. We ourselves are interested in this problem. \* \* \*

Another point in which we are particularly interested and to which I wanted to draw the attention of this Assembly is the recommendation that the Economic and Social Council give prompt and favourable consideration to the establishment of an Economic Commission for Europe, and an Economic Commission for Asia and the Far East.

The idea of an Economic Commission for Europe was raised by the Polish representatives at the London Conference on devastated areas, which took place this summer. I want to thank all the delegations who supported this idea and voted unanimously for our resolution. \* \* \*

#### ECONOMIC AND SOCIAL COUNCIL, 9TH SESSION, GENEVA

"Amazasp Arutiunian (U. S. S. R.) noted that so far 'no realistic' proposals had been submitted to serve as a basis for the Council's concrete decision at this session. He still hoped, however, that the Council might make a useful contribution to the underdeveloped areas. He opposed the convening of a special conference on grounds that United Nations bodies possessed sufficient machinery and that organizational arrangements could be made in the Council's Economic Committee. He declared that technical assistance should not be granted in return for 'political, economic and military privileges', and stated

<sup>1</sup> U. S. S. R. and satellites are members of U. N.'s regional economic commissions, but not of FAO. Otherwise membership and agricultural programs are the same and duplicating.

<sup>2</sup> P. 1135 (December 11, 1946), Official Records of the Second Part of the First Session of the General Assembly; Verbatim Record of Plenary Meetings, October 23-December 16, 1946.

<sup>3</sup> Poland started U. N. regional economic commissions.

that even war-devastated countries like the Soviet Union should contribute to development. He stressed the importance of industrialization equipment and said that the Soviet Union's new heights of industrial progress would allow it to increase assistance to 'countries which need it'. He charged that the colonial policies of the United Kingdom, the U. S. and France were the reasons for the 'core of the problem', of underdeveloped areas. He said that increasing world interdependence required the consideration not only of a country's own economic plan, but also that of other countries. Similarly, he said, development should not favor the interests of a few important monopolies.

"Mr. Arutiunian charged that colonial policy developed agriculture and other exports of commodities instead of producing a variety of goods needed in the respective areas. These areas, he said, most needed help in industrialization. Mr. Arutiunian declared that internal capital resources in underdeveloped areas must be mobilized before external assistance was provided. He argued that present profits from colonial and underdeveloped areas went to 'foreign monopolists' and declared that 'the new American program of colonialization is covered by the term assistance' which was 'simply capital seeking new outlets'. He also charged that President Truman's point 4 had 'political objectives' and was a result of fear of colonial emancipation movements. Mr. Arutiunian said that the proposed conditions for granting aid reflected the character of the U. S. program, and he elaborated that 'equal opportunity' in underdeveloped areas requested by the U. S. amounted to 'equality of the lamb and the wolf locked together in the same cage'. *He felt that the U. N. organs and the U. N. regional Commissions were best fitted to judge the needs of the respective areas*, and he noted that these organs were not mentioned in the U. N. plan. Concluding, Mr. Arutiunian expressed the belief that a program worthy of the U. N. and not favoring any particular country could be worked out in the Council's Economic Committee."

26 JULY 1949, ECOSOC PR 524.

"Mr. Boris T. Kolpakov (U. S. S. R.) felt that the programs should be based on the underdeveloped countries requests. He believed that the United Nations' task would not be fulfilled without fundamental changes in the economic structure of underdeveloped countries. He thought the problem was raised by the fact that many small European countries were not members of the specialized agencies.

*"He said the program should be based on 'compulsory consultations with progressive organizations in the underdeveloped areas, especially ECE,'* should be brought clearly into the picture.' He also said that 'sending of obsolete equipment and obsolete technical knowledge to underdeveloped countries must be precluded.' He objected to sending missions from 'wealthy companies to extract as much capital as possible from the economically underdeveloped countries.'"

29 JULY 1949, ECOSOC PR 531.

*"fundamental changes" in the direction of Communism.*

This is a reference to the fact that the "iron curtain" countries do not belong to FAO and some other Specialized Agencies. It ignores the fact that Eastern European countries were members of FAO and other Specialized Agencies until the Communists took over their governments, at which time they withdrew from membership.

In addition, it ignores the fact that, even without the "iron and bamboo curtain" countries, FAO and other Specialized Agencies have more member countries than does the U. N. FAO has 71 member countries, for example; WHO has 81—as compared to 60 member countries of U. N. (including U. S. S. R. and the satellites, which do not belong to FAO). In other words, 17 of FAO's member countries do not belong to U. N., which represents 24 percent of the FAO total membership.

#### FAO'S WORK IS TAKEN OVER BY U. N.'s ECE

The following is from an FAO Staff Report dated November/December 1955:

#### ECONOMICS DIVISION

The Geneva Office prepared for and serviced the ECE Working Party on Standardization of Perishable Foodstuffs which held its sixth session from 24-27 October in Geneva. Fourteen countries have now intimated their agreement

<sup>4</sup> Economic Commission for Europe—a regional body of U. N.'s Economic and Social Council.

with the provisions of the Protocol on Standardization of Fruit and Vegetables. Several delegations expressed concern about the possible effects on international trade if certain countries applied provisions lower than, or differing in essential detail from those contained in the Protocol. Such a step might constitute discrimination against imports from countries which were applying the Protocol, and might frustrate the whole work of standardization. In this connection the Working Party noted with satisfaction that the representative of Western Germany intended to draw their authorities' attention to the views and fears expressed, and hoped that the West German regulations would be reconciled to the fullest possible extent with the international provisions.

The Working Party approved new draft recommendations for cauliflowers and carrots. Some amendments were made to the existing provisions for potatoes, apples, and pears and lettuces and endives. It was also agreed that for a transitional period it would be permissible to export apples which, while satisfying the minimum requirements of the Protocol, did not fulfill the requirements of Class II of the European standards for this fruit. These apples, however, should be labelled "substandard".

The report of the session has been circulated (AGRI/WP.1/60).

The Team of Experts on Standardization of Eggs and Egg Products met on 28 October. Draft proposals for egg products were considered and a revised text will be prepared.

The Geneva Office (of FAO) also prepared for and provided the secretariat for the Fifth Session of the ad hoc Sub-Group on Agriculture of the Expert Group on Economic Development of Southern Europe (28 November-23 December), the ad hoc Working Party on the Selection of Technical and Economic Problems (3-6 December) and the 6th Session of the ECE Committee on Agricultural Problems (6-10 December), all held under ECE auspices in Geneva.

The Sub-Group on Agriculture—of the Mediterranean Experts Committee—as the main item of the agenda discussed the Combined Report on the Agricultural Development Programs of Greece, Italy, Turkey, and Yugoslavia, which had been prepared by the Secretariat. This report was brought up to date and revised by the experts. A chapter on the land melioration programs and a list of projects for immediate action were drawn up in the course of the meeting.

Several proposals for technical assistance were taken into consideration and information was exchanged on the progress of specific projects of collaboration between two countries in the field of land melioration.

The Sub-Group also made final recommendation to the main group concerning other items of importance to agricultural development, pasture and land improvement, seed improvement, veterinary and phytosanitary control, marketing of agricultural products, etc.

The Working Party on the Selection of Technical and Economic Problems selected from a list of projects proposed two for study: (1) exchange of experience on new methods of planting vineyards and (2) exchange of information on new techniques for the conservation and improvement of soil fertility—and invited the governments of France and the U. S. S. R. to appoint the respective rapporteurs. It also made proposals for an exchange of agricultural films.

The 6th Session of the Committee on Agricultural Problems was attended by representatives from 21 countries. The Committee heard statements by delegates on recent developments in their countries and reviewed the market situation of a number of agricultural products.

The Committee noted with satisfaction the work being done to establish standards conditions of sales for cereals and citrus fruit and agreed that this work should be extended to deal with potatoes.

It also reviewed the progress achieved by the Working Party on Standardization of Perishable Foodstuffs and by the Working Party on Mechanization of Agriculture.

After the completion of the first stage of the study of relatively long-term production, consumption and trading trends, the Committee decided to request each country to draw up for a number of products its objectives as regards production and consumption to outline the methods which it proposes to apply for those purposes and to give statistical estimates of the volume of production and trade in 1960.

The 7th Session will be held in principle in Geneva from 26 to 30 June 1956.



[Newsweek, March 14, 1955]

## U. N. AND THE U. S. OIL INDUSTRY

By Raymond Moley

The proposal of a commission of the United Nations for fixing the prices of oil produced in the Middle East is now under discussion in Geneva and is attracting wide interest in the European press. It may well provide a valuable lesson in international economics and politics for American oil companies and, in fact, for all of us.

This oil issue has been crystallized in a report of a commission operating under the vague auspices of the United Nations Economic and Social Council (ECOSOC). It is the Economic Commission for Europe (ECE). There is also a commission for Latin America (ECLA) and another for Asia and the Far East (ECAFE). Our representatives on these are very loosely responsible to our representative on the ECOSOC, Preston Hotchkiss, an Eisenhower appointee.

This ECE report has been top secret for a long time over here but it has been plentifully leaked to the European press. It is hailed there as a body blow to the "monopolistic" practices of the American oil companies. A copy was obtained by the Wall Street Journal 2 weeks ago in Geneva and another was used to prepare this article. It bears the title "The Price of Oil in Western Europe." It says that the oil companies are getting oil in the Middle East at a very low price and are selling it at an excessively high price. It is suggested that there should be price fixing by international governmental machinery. This control is veiled by the innocent word "stability." Pains were taken to include in the report details of actions by the United States Government against the American oil companies involved. There is also an attack upon the companies in a 1952 report of the Federal Trade Commission.

The ECE report is aimed at 5 American and 3 European companies. They are Standard of New Jersey, Standard of California, Socony-Vacuum, Texas, and Gulf. Also Royal Dutch-Shell, the British Petroleum, and Compagnie Française.

It is alleged that most of these companies tend to peg their European prices to the prices in the Western Hemisphere.

The allegations of fact in this ECE report are violently denied by the American companies. One of them says that the report overstates the net received by the various companies from Middle Eastern crude by 100 percent.

These regional commissions—the ECE, ECLA, and ECAFE—go it pretty much as they choose. The ECAFE, for example, organized studies of the marketing of hides in Pakistan, the relative advantages of electric or hydraulic transmission in Diesel locomotives, and the planning of waiting rooms at Indian railway stations.

The oil proposal is not on a par with these trivia. It would provide an opportunity for the Soviet not only to use an international commission to smear American companies but to get its paw into the Middle Eastern oil situation. For, since the Soviet is on the ECE, it would in fact be playing an important part in regulating the industry there and in fixing the prices of American oil companies.

The United States is represented, too, but would be hopelessly outnumbered by Communist and socialist countries.

This oil proposal is only the latest of many plans which have been made through the U. N. to fuse our economy with those of other nations. And in every case our tradition of freedom was imperiled by the presence among the collaborators of a heavy majority of nations in which communism or socialism is firmly established, or in which economic liberty has never existed or has become only a faded memory, or in which cartels and other restrictions on enterprise have been traditional. Moreover, the *Foreign Service officers and professors who have represented us on the many groups for the most part have believed that our freedom and independence must be yielded for international friendship.*

Most of this goes back to the commitment of the United States in article 55 of the U. N. Charter adopted in 1945 which somewhat vaguely pledged us to a large number of international experiments in social and economic affairs. To implement this, the ECOSOC busied itself early in 1946. It had as a guide a document of our State Department entitled "Proposals for Expansion of World Trade and Employment." There was created a "preparatory" committee to make plans. Then there ensued those 4 years of naïveté when compromise with Marxism seemed not only inevitable but desirable.

The Havana Charter of 1948 would have committed us to international price fixing of basic commodities, tariffs, and trade controls, measures for full employment and, strangely enough, trust busting. President Truman sent the Havana Charter to Congress which refused to do anything more than to hold some hearings. But in 1949 we entered the International Wheat Agreement and through the State Department actively participated in many international economic committees and commissions. Prime Minister Attlee came here in December 1950 to plead for international control and allocation of raw materials so that his country could get the things it needed "at the right price." Our State Department complied the next month and created what was known as the International Materials Conference. This had no legal standing but set out to allocate strategic materials and fix prices. This brought forth plans for agreements covering cotton, wool, copper, lead, zinc, sulfur, and other materials.

In 1952 the Paley Commission (President's Materials Policy Commission) made the statement that, regardless of the failure of Congress to act, the United States was bound under a resolution of the ECOSOC to "recognize chapter VI [of the Havana Charter] as a general guide." Despite violent protests in Congress, the collaboration went on in one form or another. In 1953 we entered the International Sugar Agreement and extended the International Wheat Agreement for 3 years.

Thus encouraged, the State Department proposed a tin agreement last year. It was given up by the administration after a hard fight between the State Department on one side and the Interior and Commerce Departments on the other. Meanwhile, the Randall Commission roundly condemned participation by the United States in international commodity agreements and Preston Hotchkiss of ECOSOC has vigorously opposed them. The ECE seems to assume that these objections can be avoided.

It is significant that the current oil report is the product of the secretariat of the ECE at the head of which is Gunnar Myrdal, a Swedish Socialist. He first appears in American annals as a beneficiary of a Rockefeller fellowship. Next he was employed by the Carnegie Corporation to make a \$250,000 survey of the Negro problem in our South. This report in 1944 had some strong things to say about the United States. *Our Constitution was "impractical and unsuited to modern conditions" and its adoption was "nearly a plot against the common people." We had "a low degree of respect for law and order" although we "desire to regulate human behavior tyrannically." Our legal culture moreover, was "anarchistic."*

Myrdal in 1946 told a Wall Street Journal reporter that in behalf of Sweden he had made a big deal with Soviet Russia because he believed that the United States was going into a depression. In 1949, as executive secretary of the ECE, he received a grant from the Rockefeller Foundation for scholarships for European students. Last year Columbia University selected Myrdal as one of those to be highly honored at its bicentennial. He was given a degree of doctor of humane letters as one who had made "the world his classroom."

In any event, these many benefits and honors for Myrdal, coupled with the present attack upon the American oil companies, can prove to Americans not only that they are a very generous people but that when oil money is given for cultural purposes it has no strings. This at least can give our oil companies some melancholy comfort.

Pre-TAB/5  
28 DECEMBER 1949

#### MEMORANDUM

To: \_\_\_\_\_  
From: M. Perez-Guerrero, Advisor on Coordination,  
Executive Office of the Secretary-General.  
Subject: Draft record of proceedings of meetings,  
Lake Success, December 13-14 1949.

Attached is a draft record of proceedings, with annexes, of the meetings held on 13 and 14 December 1949, to discuss technical assistance problems.

It was agreed during the meeting that rule 14 of the Draft Rules of Procedure (see Annex II) should apply.

Special attention is drawn to paragraphs 3 and 4 of section I and paragraph 2 of section II of the Draft Record (pages 3 and 4) which call for action.

This memorandum sent to:

*United Nations Secretariat:* Mr. Owen, Mr. Laugier, Mr. Price, Mr. Martin Hill, Mr. Goldet, Dr. Bunche, Mme. Myrdal, Mr. Weintraub, Mr. Schacter, Miss Henderson, and Mr. Coidan.

Specialized agencies: ILO: Mr. Jenks, Mr. Riches, Dr. Metall; FAO: Sir H. Broadley, Mr. McDougall; UNESCO: Mr. Laves, Mr. Berkeley, Mr. Arnaldo; ICAO: Mr. Marlin; WHO: Dr. Calderone; FUND: Mr. Williams; Bank: Mr. Lopez-Herrarte; IRO: Miss Biehle.

Pre-TAB/5  
27 DECEMBER 1949.

# INTERAGENCY MEETINGS ON TECHNICAL ASSISTANCE

Lake Success, 13-14 December 1949

## DRAFT RECORD OF PROCEEDINGS

*The meetings were held under the chairmanship of Mr. A. D. K. Owen, Assistant Secretary-General in charge of Economic Affairs, and with Mr. M. Perez-Guerrero, Advisor on Coordination of the Executive Office of the Secretary-General, acting as Secretary.*

The following persons were in attendance:

*First meeting:* 13 December 1949; 10:30 a. m. to 1:00 p. m.:

ILO: Dr. R. A. Metall; Mr. A. Evans  
FAO: Sir Herbert Broadley; Mr. F. L. McDougall  
UNESCO: Mr. W. H. C. Laves; Mr. C. Berkeley  
BANK: Mr. E. Lopez-Herrarte  
FUND: Mr. G. Williams  
WHO: Dr. W. P. Forrest  
IRO: Miss M. Biehle

*United Nations Secretariat:*

Mr. H. Laugier, ASG in charge of Social Affairs  
Mr. A. H. Feller, General Counsel, Legal Department  
Mr. D. Weintraub, Director, Division of Economic Stability and Development

*Second meeting:* 13 December 1949; 3:00 p. m. to 5:40 p. m.

ILO: Dr. R. A. Metall; Mr. A. Evans  
FAO: Sir Herbert Broadley; Mr. F. L. McDougall; Mr. K. Olsen  
UNESCO: Mr. W. H. C. Laves; Mr. C. Berkeley  
BANK: Mr. E. Lopez-Herrarte  
FUND: Mr. G. Williams  
WHO: Mr. W. P. Forrest  
IRO: Miss M. Biehle

*United Nations Secretariat:*

Mr. D. Weintraub, Director, Division of Economic Stability and Development

Miss J. Henderson, Department of Administrative and Financial Services.

*Third Meeting:* 14 December 1949; 10:30 a. m. to 1:30 p. m.

ILO: Mr. E. J. Riches; Dr. R. A. Metall  
FAO: Sir Herbert Broadley; Mr. F. L. McDougall; Mr. K. Olsen  
UNESCO: Mr. W. H. C. Laves; Mr. C. Berkeley  
ICAO: Mr. E. R. Marlin  
BANK: Mr. E. Lopez-Herrarte  
FUND: Mr. G. Williams  
WHO: Dr. W. P. Forrest  
IRO: Miss M. Biehle

*United Nations Secretariat:*

Mr. Martin Hill, Director of Coordination for Specialized Agencies and Economic and Social Matters; Mrs. A. Myrdal, Principal Director, Department of Social Affairs; Mr. D. Weintraub, Director, Division of Economic Stability and Development; Miss J. Henderson, Department of Administrative and Financial Services.

The following agenda was approved:

1. Preparatory work for the Technical Assistance Conference, and arrangements regarding contributions to the Special Account.
2. Procedure for interchange of information on requests from governments for technical assistance prior to the establishment of the Special Account.
3. Arrangements for the establishment of TAB.
4. Other business.



## DISCUSSION AND DECISIONS

*I. Preparations for the Technical Assistance Conference and arrangements regarding contributions to the Special Account (Pre-TAB/2)*

1. In the light of a discussion on the date of the Conference, the Chairman stated that the Secretary-General would bear in mind the preference of many specialized agencies to have the Conference held in mid-March but overriding considerations such as the timing of preliminary governmental action might make it necessary to call it for mid-April.

2. Invitations to Governments to attend the Conference will be dispatched by the Secretary-General in January 1950, together with an aide-memoire setting out the history of the expanded programme and indicating the type of action required by the Conference. Thorough informal consultations with governments were necessary prior to the Conference if its duration were not to exceed 3 or 4 days, as is desirable. In dealing with the business of the Conference as laid down in ECOSOC Resolution 222 (IX), delegates, especially those from non-member countries would have an opportunity to make policy statements on the expanded programme.

3. *The meeting had before it a "Draft Agreement Concerning the Financing of the Technical Assistance Programme of the United Nations", which was one possible form in which action might be taken by the Conference.* It was pointed out that such an "Agreement" though having the psychological effect of applying moral pressure on governments, would require elaborate and often protracted subsequent procedures, a factor which may reflect upon the willingness of some governments to sign it, even "ad referendum". Alternatively, the Conference might adopt a number of resolutions and these resolutions could be embodied in the "Final Act" of the Conference which would be signed but would not involve the procedures referred to above. A schedule of the declared intended contributions would be attached or incorporated in this Final Act in compliance with the stipulation of the Economic and Social Council resolution that the Conference should "ascertain the total amount of contributions."

*An alternative draft by the Legal Division of the United Nations would be forwarded shortly to the specialized agencies.* For their part, the agencies would send to the Secretary-General their views regarding the most effective form in which the Conference might take action by 15 January 1950.

4. During a discussion on the form of contributions, it was suggested that governments should be encouraged to state the amounts of their contributions to the Special Account in monetary figures, with the understanding that subsequent negotiations would determine the proportion of the figure stated to be paid in services or materials as well as the exact nature of these. The importance of maintaining a certain degree of flexibility in these procedures was recognized, in order to meet the varying circumstances of individual contributing countries.

It was suggested that special Contributions Officers could assist the Secretary-General in discussing problems relating to contributions with the countries concerned.

The Chairman stated that the Secretary-General was considering using the services of a number of persons on an ad hoc basis for this purpose and that the specialized agencies would be called upon to help in carrying out these negotiations, as appropriate.

5. The specialized agencies will submit to the Secretariat if possible by 15 January 1950 briefs containing illustrative information on specific services, and materials which would be of use to them and whenever practicable an indication of the governments best equipped to provide these. These briefs may also indicate such services and materials as would be of little or no use to the agency concerned. This information would be considered confidential, and would serve only as background information for the Secretary-General in his negotiations with governments.

6. A Working Party on the Collection and Disbursement of Funds for the Special Account will be convened at the beginning of February 1950. The Working Party will consider papers prepared by the United Nations on the items listed in Annex I.

The representative of the FUND, in the name of its Managing Director, extended an invitation to representatives of the United Nations and specialized agencies to discuss at the Fund headquarters with its financial experts such problems as (a) what banks to use in each country, (b) when and how to

transfer assets from one form to another, (c) what freedom of use of accounts to insist upon, (d) what limitations on convertibility and transferability exist and how to avoid these, and (e) how to allow missions to draw on accounts.

Similarly, the representative of the BANK extended an invitation to the United Nations and the specialized agencies concerned to call upon his Organization for advice on such matters as how best to utilize the local currency of particular countries with which the BANK has already worked out arrangements.

7. *The Secretariat of the United Nations will prepare a paper for submission to TAB on the desirability of common standards for: salaries and fees for experts, subsistence allowances, other conditions of employment of experts, and stipends for fellows.*

## *II. Procedure for Interchange of Information on requests from governments for technical assistance prior to the establishment of the Special Account (Pre-TAB/3)*

1. A full and effective compliance with the Agreement reached by the Administrative Committee on Coordination at its eighth session regarding exchange of information on requests for technical assistance was recognized to be of great importance pending the establishment by TAB of permanent reporting procedures. In accordance with that agreement the United Nations Secretariat has prepared and distributed to the specialized agencies information regarding technical assistance activities of the United Nations in the economic development and social welfare fields.

2. It was agreed that the United Nations and the specialized agencies concerned would submit to the Executive Secretary of TAB:

- (a) a summary report on technical assistance activities in 1949;
- (b) a progress report on assistance currently being given; and
- (c) information on requests at present under consideration together with information concerning steps taken for their implementation.

Thereafter the earliest possible communication of information on technical assistance activities whatever its form would be of considerable help in carrying out current activities as well as in the preparation for the expanded program.

3. The representative of the FUND informed the Committee that despite the fact that his organization was not to be a titular member of TAB, it would cooperate with it to the greatest extent possible and furnish periodically a list of all FUND missions, giving such details as length, purpose, place and accomplishments of the mission. It would however not always be possible for the FUND to furnish advance information on consultations and missions, but the FUND shall consider such information as falling into four categories: (a) available to the public; (b) available only to TAB members; (c) available only to TAB secretariat; and (d) available only to the FUND.

4. The representative of the BANK stated that his organization would also fully cooperate with TAB; within the next two weeks it would submit a paper containing information similar to that which the Department of Economic Affairs had circulated to the specialized agencies. The position of the BANK paralleled that of the FUND in that advance information on missions would sometimes have to be withheld.

5. *The representative of the United Nations invited each specialized agency to inform the United Nations of any request for technical assistance in its own field of activity which it was unable to meet because of budgetary limitations. The Secretary-General would investigate the possibility of financing such requests with United Nations funds.*

6. As regards approaches to governments it was pointed out that implementation of the technical assistance programmes often required preliminary consultations with governments on their needs in particular fields which had the effect of stimulating new technical assistance projects. This was often done through regional or branch representatives of the organization concerned. *The initiatives of these representatives should however be kept under close control in order to avoid a multiplicity of uncoordinated requests which, in addition, might be difficult to implement on budgetary grounds or for other reasons.*

There was general agreement that if a country requested assistance falling within the field of more than one organization an integrated programme of technical assistance in that country would be a desirable objective. Each case however would have to be considered individually.

*It was suggested that in order to achieve a unified United Nations—specialized agencies approach to countries it might be desirable to have one person stationed in certain recipient countries to serve as coordinator for the international organizations concerned and as principal channel with that country's government. Other means for achieving this end should be explored at an early meeting of TAB.*

### III. Arrangements for the establishment of TAB (Pre-TAB/4)

1. Since at its last meeting the Administrative Committee on Coordination had taken the necessary decision regarding the setting up of TAB, no further action by this body was required for the establishment of the Board. The Secretary General would convene TAB to meet during the first week of February 1950.

2. The representatives of the BANK, FUND, and IRO indicated that although they could not be considered as titular members of TAB, they should like to be considered as cooperating organizations who would attend all meetings and participate fully in TAB discussions. They would also, as indicated previously, participate in the fullest exchange of information. The views expressed by the observers of the cooperating organizations could, when desirable, be included in TAB reports to TAC.

3. The draft rules of procedure for TAB were considered and approved for submission to the first meeting of TAB (see revised draft attached as Annex II). It was agreed that the rules of procedure of TAB should receive only restricted distribution.

4. In connection with the consideration of these draft rules of procedure, the principle that the Executive Secretary of TAB in fulfilling his responsibilities and duties would be independent of the administration of the individual technical assistance program of the organizations concerned, was considered of great importance.

The representative of the FUND emphasized that the Executive Secretary should familiarize himself with the activities of the various specialized agencies and on behalf of his Managing Director he extended an invitation to the Executive Secretary to visit the offices of the FUND for the purpose of having discussions with the staff of the FUND, attending meetings of the Board of Executive Directors, etc.

The representative of the other agencies agreed that similar visits by the Executive Secretary should be made to the offices of their organizations.

5. The various participating organizations would lend every assistance to the Executive Secretary of TAB in the selection of his permanent and temporary staff.

6. Several suggestions were made for questions to be included in the agenda for the first meeting of TAB. These suggestions, as well as others deriving from the discussions and decisions recorded above, have been included in the attached list of points which may serve as a tentative agenda for the first meeting of TAB in February 1950.

### ANNEX I. PROBLEMS CONNECTED WITH COLLECTION AND DISBURSEMENT OF FUNDS OF THE SPECIAL ACCOUNT TO BE REFERRED TO A WORKING PARTY OF TAB

#### 1. CONTRIBUTIONS

- (a) Definition of financial year.
- (b) Acceptance of installment payments.
- (c) Carryover of contributions.
- (d) Designation of banks.
- (e) Technical aspects of convertibility.

- i. Rates of exchange for convertible currencies.
- ii. Methods for achieving maximum convertibility.

- (g) Investment of funds.
- (g) Accounting for contributions.

- i. Currency of fund accounts.
- ii. Form of accounts.
- iii. Accounting for services.
- iv. Accounting for goods.



## 2. TECHNICAL ASPECTS OF ALLOCATION PROCEDURE

- (a) Allocation of hard currencies.
- (b) Allocation of soft currencies.
- (c) Allocation of goods and services.
- (d) Procedural aspects of "automatic allocation."
- (e) Redistribution of funds not allocated or expended by participating agencies.

## 3. EXPENDITURE ACCOUNTING

- (a) Accounts for the central fund.
- (b) Accounts of participating agencies.
  - i. Necessity for common definition of obligations and commitments.
  - ii. Form of accounts.

## 4. AUDIT

- (a) Audit of the central fund.
- (b) Audit of accounts of participating agencies.
- (c) Coordination machinery.

15 DECEMBER 1949.

## ANNEX II. PROPOSED DRAFT RULES OF PROCEDURE FOR SUBMISSION TO TAB (As Agreed Upon At Pre-TAB Meeting, 13-14 DECEMBER 1949)

1. The Technical Assistance Board consists of the executive heads, or their representatives, of the United Nations and of the specialized agencies that have taken the steps indicated in paragraph 10 of resolution 222 (IX) A of the Economic and Social Council and accepted the observations, guiding principles, and arrangements for the administration of the expanded program of technical assistance for economic development set out in that resolution.

2. Other specialized agencies may be invited to send observers who would be entitled to participate in the discussions.

3. The Secretary General, or, in his absence, the Assistant Secretary General for Economic Affairs, as his representative, shall serve as Chairman of the Board. (In the absence of both, a representative of a specialized agency of a rank not lower than that of Deputy Director General may be invited to take the chair.) The Chairman or acting Chairman shall not represent his organization on the Board.

4. The Executive Secretary shall have no responsibilities or duties other than those deriving from resolution 222 (IX) A of the Economic and Social Council or from decisions of the TAB. In the discharge of these responsibilities and duties he shall be subject only to the authority of the TAB.

5. The Executive Secretary shall be assisted by a small staff which may include members of the secretariats of participating organizations on permanent or temporary assignment. The members of this staff shall be exclusively responsible to the Executive Secretary and shall act only on the instructions and directives which he may give them.

6. The TAB may set up standing or ad hoc subcommittees.

7. Meetings of the TAB shall normally be held at the Headquarters of the United Nations, but may be held elsewhere.

8. The Executive Secretary shall draw up, in consultation with the Chairman, the provisional agenda of each meeting of the Board.

9. The Board shall normally fix the date of its next meeting. The Executive Secretary may, however, after consultation with the Chairman and members of the Board, and taking into account the character and urgency of the business to be dealt with, arrange a meeting at some other time.

10. The Board shall not be formally called to order by the Chairman unless at least four participating organizations are represented.

11. The representative of any participating organization may be accompanied by such assistants as he may require.

12. The representative of any participating organization may request the Chairman to accord the right to speak to any other member of his organization.

13. The Executive Secretary, after consultation with the Chairman, may invite

any person or representative of any agency to participate in the discussion of a particular item.

14. The records of the meetings of the Board shall be prepared by the Executive Secretary. They shall consist of a record of attendance, hour of convening and adjournment, the identity of presiding officer, the agenda of the meeting, a statement describing the items discussed, and the record of its decisions. These records shall be distributed to members as soon as possible and shall be considered approved if no modification is proposed within two weeks of the date of their dispatch, or amended at the next meeting.

15. All documentation and records of the TAB shall be maintained by the Executive Secretary, who shall provide appropriate administrative safeguards for confidential material.

16. The Executive Secretary shall prepare draft reports to the TAC on the work of TAB for consideration and approval by TAB before transmission.

17. The phrase "procedural matters" in paragraph 3 (h) of resolution 222 (IX) A shall apply to all relevant matters covered by these rules of procedure, except paragraph 18.

18. These rules of procedure may be amended by general agreement at any meeting of the TAB provided notice of at least four weeks has been given of the proposed amendment.

### ANNEX III. POINTS FOR INCLUSION IN AGENDA FOR FIRST MEETING OF TAB

1. Final Act of the Technical Assistance Conference.
2. Draft rules of procedure for TAB.
3. Definition of "underdeveloped country" with a view to determining criteria for priorities.
4. Definition of "important" requests.
5. Minimum obligations to be imposed on recipient countries when a programme of technical assistance is developed for that country.
6. Procedures for collecting information about technical assistance rendered bilaterally.
7. Reporting procedures and exchange of information between organizations concerned.
8. Relations with regional organizations.
9. Report of the Working Party on Collection and Disbursement of Funds (and possibly: Draft financial regulations).
10. Consideration of Paper prepared by the United Nations secretariat on common standards of salaries, stipends and other expenses connected with the sending of experts.
11. Consideration of Public Information Programme.

[Excerpt from the Information Bulletin, United States Committee for the United Nations, March 1956]

### THE U. N. LOBBY GROWS IN SIZE AND STRENGTH

#### THE NONGOVERNMENTAL ORGANIZATIONS AND THE U. N.

\* \* \* \* \*

#### CONSULTATIVE STATUS WITH ECONOMIC AND SOCIAL COUNCIL

Under Article 71, the Economic and Social Council has accorded *consultative status to some 275 national and international Nongovernmental Organizations*. These include most of the important labor, veterans, social, welfare, teachers, farm, professional, youth, and women's organizations. The list also includes many of the religious groups and organizations working for peace, international cooperation, and the United Nations. *Some 200 of these organizations, sixty of which are international, have "observers" at United Nations Headquarters.*

Ten of these are deemed to "have a basic interest in most of the activities of the Council and are closely linked with the economic or social life of the areas which they represent." These have a consultative status which is known as "Category A." They may bring items to the attention of the Council for inclusion on its provisional agenda and may speak before the Council. During its first fourteen sessions, the Council took up thirteen agenda items submitted by Nongovernmental Organizations. These include such diverse questions as forced labor, trade union rights, and the procedure for a study of world oil

resources. Category A organizations may speak to the Economic and Social Council itself.

#### OTHER CATEGORIES

*More than 100 other NGO's "which have a special competence in and are concerned specifically with only a few fields of activity covered by the Council" also have consultative status, which is known as "Category B."*

*Another 160 or more NGO's which "have a significant contribution to make to the work of the Council" are on a register maintained by the Secretary-General and may be called in for consultation from time to time. Written statements may be submitted by organizations in both A and B categories for circulation to Members of the United Nations. Oral statements may also be made before the commissions of the Council or its Committee on Nongovernmental Organizations.*

\* \* \* \* \*

#### COLLABORATION WITH PUBLIC INFORMATION DEPARTMENT

In addition to the Nongovernmental Organizations, which have some kind of consultative status with the U. N., *there are thousands of others all over the world* which work in close association with United Nations and help spread knowledge of its aims and activities. Organizing observances of United Nations Day in pursuance of the unanimous resolution of the General Assembly in December 1947, is regarded by the United Nations as one of the most important means of spreading this knowledge.

Through their extensive memberships, the NGO's actually provide a two-way channel for exchanging information by carrying the views and ideas of those groups to the U. N., and by carrying the story of the United Nations and its activities to the group membership.

#### THE U. N. HELPS THE NGO'S

The Section for Nongovernmental Organizations of the Department of Public Information is responsible for working actively with such organizations, both national and international, to promote understanding of the U. N., and to provide material needed for that purpose. The U. S. Committee, for example, is the official distributing agent for U. N. Day literature in the United States and is in constant liaison with the Department of Public Information.

*Specifically, the U. N. Department of Public Information cooperates with the U. S. Committee by providing literature, information, technical advice and assistance on special projects, and through its Radio and Film divisions has collaborated in the preparation of the Radio and TV Kits which are distributed each year to all radio and TV stations throughout the country.*

*More than four thousand national organizations in seventy-eight countries are continually or occasionally in touch with, and are provided documentation by, the Department of Public Information, or by the nearest regional U. N. Information Center. There are 19 such centers in the world with one in the United States, located in Washington. In a growing number of Member countries, national committees similar in framework to the U. S. Committee are being formed with the express purpose of facilitating the work of the U. N. and the specialized agencies by developing public understanding of the U. N., both among their members and the general public. These committees promote observances of U. N. Day and aid U. N. Information Centers in the countries in which these are located. In other countries they coordinate the activities of Nongovernmental Organizations.*



THE U. N. LOBBY BRIEFS THE WASHINGTON, D. C., LOBBY

SUNFED IS IN THE NEWS

[The New York Times, November 6, 1955]

U. N. GROUP PUSHES SPECIAL AID FUND

LATIN AMERICANS AND ASIANS HOPE UNITED STATES WILL BACK PLAN ON ECONOMIC DEVELOPMENT

(By Arthur J. Olsen)

Special to The New York Times

UNITED NATIONS, N. Y., November 5.—Latin-American delegations to the United Nations have drafted a resolution calling for further steps toward the creation of a special United Nations fund for economic development. The resolution will be submitted to the Economic and Financial Committee Monday. A number of Asian countries will be co-sponsors.

The special fund would finance the construction of the basic facilities on which modern economies could be built in underdeveloped countries. It would dispense funds primarily on a grant-in-aid basis. As conceived at the present the fund would start out with an annual budget of about \$250 million donated by member countries.

The plan will die stillborn unless the United States and Britain overcome their present reluctance to back it. The two countries would have to provide about two-thirds of the cost of the program.

Both countries have undertaken a qualified commitment to support the plan. When and if a controlled disarmament program is effected, they promise to devote some of the savings in armament expenditures to the special fund.

## ATTITUDE OF UNITED STATES AWAITED

Representative Brooks Hayes, Democratic of Arkansas, United States delegate on the committee, is expected to disclose next week whether the United States is ready to depart from strict adherence to the special fund disarmament relationship established by President Eisenhower in his 1953 address to the General Assembly. Delegates of potential beneficiary nations are not optimistic.

United States officials are wary of an "open end" financial commitment to an aid program that would extend over a number of years with annual expenditures rising indefinitely. The proposed initial United States contribution of about \$100 million probably would be only a fraction of the amount requested by the fund in the fifth or tenth year of its operation.

From the strategic aspect, British and United States authorities hope to gain some diplomatic leverage by linking the special fund with controlled disarmament. They hope the Soviet Union will agree to a realistic negotiation on disarmament when it becomes obvious to world opinion that only Soviet intransigence blocks the aspirations of underprivileged peoples.

The resolution to be submitted next week is designed to accelerate the momentum of planning for the special fund. It would establish a special committee to perfect already well-advanced plans. Presumably this would be the last preparatory step before drafting a statute for the new agency.

## PROJECTS ARE DESEGREGATED

As presently conceived, the special fund's money would be spent on roads, powerplants, railways, schools and port facilities.

The special fund would be linked closely with the International Bank for Reconstruction and Development.

Approved projects would be financed with outright grants or loans that would bear a very low interest rate or none at all. Its field is to be development projects that the World Bank is now unable to handle, usually because the beneficiary country is unable to insure service of the bank's medium-term, moderate-interest loans.

The fund would rely almost entirely on the staffs of existing international development agencies to process applications and administer expenditures. Representatives of those agencies would be members of its directorate.

Member countries would be assigned contribution quotas on a proportional basis. Thus the United States would contribute as much as one-half of the funds.

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#### LAST CALL

##### HAVE YOU MADE YOUR RESERVATIONS?

For the Point IV Information Committee luncheon meeting at the Burlington Hotel at 12:30 p. m., Thursday, November 10, 1955, to hear Mr. Phillipe De Seynes, United Nations Under Secretary General for Economic and Social Affairs, who will speak on "The Present Status of SUNFED" (The Special United Nations Fund for Economic Development).

Please telephone reservations to Kay Hoffman, Executive 3-3524.

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#### PUBLICITY ON BIG SCALE

Comment on the San Francisco Conference would be incomplete without mention of the publicity campaign which attended it. Attached to the international secretariat staff of *Alger Hiss* were 34 publicity officers, most of whom were assigned to the Conference from the Department of State and other U. S. Government Departments.

In addition, in an official U. S. delegation of 192, there were 21 members engaged solely with the task of public relations.

More than one hundred representatives of nongovernmental organizations were attached as consultants to the U. S. delegation, in the expectation that they would serve as channels of propaganda back to the membership of their respective groups.

The Department of State organized discussions in all parts of the country prior to the Conference, sent out many speakers, and issued publicity materials in quantities unprecedented in the history of the U. S. Government.

More than 2,500 press, radio, and newsreel representatives covered the Conference.

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#### EXAMPLE OF SLANTED MATERIAL PROVIDED AS "DISCUSSION" GUIDE AT POINT IV INFORMATION COMMITTEE CONFERENCE OF NON-GOVERNMENTAL ORGANIZATIONS

National Workshop on World Economic and Social Development, 816 21st Street NW., Washington, D. C.

JAN. 27-28, 1955.

##### *Outline for Discussion of Long-Range Program for Development*

We need a new enthusiasm—new hope—we have been going downhill, falling below our conception of the meaning and prospect of Point Four.

A. Three basic assumptions—agreements as a point of reference.

1. We must conceive of the U. S. role in the world as a creative force.

a. This means stop being on the defensive—we must do so in order to get off the necessity of forever defending something after catastrophe has struck. Otherwise we will be forever caught defending Indochina.

2. We must stand for something, not just for anything—the long range program we develop will be determined in large measure by what we stand for and against—our goals and values.

a. Our strength—and what we have to offer that is unique and compelling is not material growth and stability alone, but that, plus liberty and personal freedom.

(1) Otherwise we will end up heading coalitions of governments in which we will be defending and associating with dictatorships of various kinds. This is the way to weakness and ruin.

3. In the warless period we may have, hopefully may have forever, we must be about the business of helping others build the institutions which are needed to safeguard peace and strengthen the conditions making for peace—this is a goal of the development program.

- B. There follows—what we do—how we best do that—in what time.  
Specific projects and problems are to be met in these terms.
- C. An *interconnected* program to achieve these long range goals.
1. Economic stability and growth—a program big enough and done rapidly enough to create and increase the stake of the individual.
  2. Specific problems:
    - a. Land reform.
    - b. *International Food and Raw Materials control*, etc.
    - c. International commodity agreements
    - d. Economic union for democratic action by democratic countries
    - e. *Concepts of joint administration of economic efforts*
    - f. Energy—atomic and hydro, to underpin economic development
    - g. Trade Union
  3. Personal freedom and liberty
    - a. Our aid should get at the hinderances, promote people-to-people and government contractual arrangements that can make headway on these goals
    - b. Rethinking and planning for wide participation of nongovernmental organizations, either with or without government assistance and control:
      - (1) Private citizens
      - (2) Organized lay groups
      - (3) Labor Unions
      - (4) Industrial and business groups
      - (5) Church and other groups
  4. Peace—our long range program will aid and promote peace, but specifically how can it be geared so as to promote—
    - a. Disarmament
    - b. Strengthening of the U. N. as a better way to achieve lasting cooperation between nations and peoples
    - c. End colonialism and its institutions of repression
    - d. The balance of world population growth and its economic resources
    - e. The exchange of cultures and fusion of the best in cultures
- D. But no long range programming can be entertained with any assurance unless the *threatening influences* of today are lifted, and the trend reversed:
1. *Proposal to segment aid and its administration*
  2. Militarizing aid, and its psychological effects
  3. Annual appropriations and limited life of the programs
  4. Submergence (by Secretary Humphrey) of our foreign-aid program to to his conception of domestic economic and government practices and purposes
- On these we must act now.*

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#### RUSSIAN RUBLES

#### EXAMPLE OF INTERFERENCE WITH FAO PROGRAM BY U. N. EXPANDED TECHNICAL ASSISTANCE FUND ADMINISTRATION

The U. S. S. R. and its satellite countries are not members of FAO, make no financial contribution to FAO, have no authority directly or indirectly to supervise its program. They have, however, frequently attacked FAO and taken the initiative in U. N. to undermine its authority to operate in fields for which its constitution gives it responsibility. (See attached resolution on land reforms, offered in U. N. by Poland and supported by U. S. S. R.—with particular attention to U. S. S. R. objections to United States and United Kingdom claims of FAO interest in the resolution.)

With establishment of the central fund under U. N. control to finance "expansion" of FAO's already-existing technical-assistance program, the U. S. S. R. and its satellites acquired supervisory and policymaking functions relative to that part of FAO's work financed from the U. N. Expanded Technical Assistance Fund. This is so, because U. S. S. R. and its satellites are members of U. N. and have exercised considerable aggressiveness in formulating policies and supervision of the expanded technical assistance program in the U. N.'s Economic and Social Council and in TAC (the committee of ECOSOC governments which was created to provide government supervision to administration of the U. N. central fund for technical assistance). Two U. N. documents are attached to illustrate this point, marked "B" and "C."



With contribution of 4 million rubles (equivalent to about \$1 million) per year by U. S. S. R. to the U. N. Expanded Technical Assistance Fund, and contribution by Poland of 300,000 slotys (equivalent to about \$75,000), a major administrative headache was presented to FAO. By mid-1955 FAO had still made no use of the Russian and Polish currencies, and the secretariat report to the Council of FAO on March 7, 1955, contains the following cryptic comment:

"This (carryover of funds in the U. N.-ETAP from previous years) contained a substantial amount of U. S. S. R. rubles and other currencies for which use has not been found, as well as 'services' offered by certain countries."

On June 6, 1955, the secretariat report to the Council of FAO said:

"The increased (expanded technical assistance) program for 1955 available to FAO enables additional quantities of equipment and supplies to be made available to requesting countries, in particular from the U. S. S. R. TAB (Technical Assistance Board—the committee of secretariat members which directs the U. N. expanded technical assistance program) has allocated to FAO the equivalent of \$471,240 in Russian rubles for the purchase of equipment in the U. S. S. R. At the present time FAO has not found any other use for Russian rubles than in the purchase of equipment. Even in this respect, no purchase has yet taken place, although negotiations are in progress for the utilization of the sum referred to above."

Inquiry produced the information at the FAO Council meeting that between March and June of 1955, Mr. David Owen, Executive Chairman of the Technical Assistance Board (see attached paper marked "D" for information on powers of this officer over the U. N.-ETAP), had summoned the representatives of the several participating agencies to a meeting at U. N. headquarters, where he "allocated" specific amounts to each agency of the U. S. S. R. rubles and Polish zlotys. The action was tantamount to an order to the agencies to utilize the amounts allocated to them in their ETAP work.

In an FAO staff progress report for October 1955, the following statement appears:

"(Two officers) of the Forestry Division, is now visiting Poland and Czechoslovakia for purchasing equipment relating to the ETAP program."

NOTE.—Poland and Czechoslovakia were charter members of FAO, but at the time their governments were taken over by Communist regimes, both were withdrawn from membership.

The purchasing expedition described in the report above was occasioned by allocation by the Technical Assistance Board (TAB) to FAO of a proportion of the contributions of Poland and Czechoslovakia to the U. N. central fund for the expanded technical assistance program. The contributions of the two countries were in nonconvertible national currencies which must be spent in the two countries.

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National Workshop on World Social and Economic Development, 816 21st Street N.W., Washington, D. C., Hotel Woodner, January 27-28, 1955

#### THE FUTURE ROLE OF THE UNITED STATES IN UNITED NATIONS TECHNICAL AND ECONOMIC ASSISTANCE

G. W. Shepherd, Jr., Ph. D., American Committee on Africa

One of the primary questions that we must try to answer is what is the extent to which we should seek to make our United States foreign aid programs multilateral rather than bilateral? We face not only the task of convincing Congress and the country that increased technical and economic assistance programs are necessary, but also the task of convincing people that United States programs should be directed increasingly through the United Nations and its associated agencies.

The United States has been underwriting 60 percent of the present United Nations Technical Assistance Program; but Congress grows more and more cool toward this project of continuing this support. In fact, Congress has not yet appropriated our contribution to the 1955 budget of the United Nations Technical Assistance Program, despite urgings from the Administration. Unquestionably, it is going to be a struggle to continue American support for this desirable program, and it will certainly be a double struggle to gain support for an expanded United Nations program, including such programs as the International Finance Corporation and the Special United Nations Fund for Economic Development (SUNFED). Although the Administration has endorsed the establishment of the IFC, Congress has yet to be convinced, and the difficulties involved in this should not be underestimated.

## FEAR OF NEW IMPERIALISM

There are a great many reasons why our foreign aid programs should be gradually shifted to the United Nations. Probably the primary reason is the desire of the recipient nations themselves to receive the assistance through the United Nations rather than through bilateral negotiations with the United States. The largest grants for economic purposes are now going to so-called underdeveloped areas, and the amounts of assistance we are giving to European countries are rapidly diminishing. Because of the experience that erstwhile colonial countries in Asia and Africa have had with Western powers, they remain highly suspicious of the intentions of any Western power and are fearful of becoming involved in a new "imperialist" relationship. The United Nations framework offers to them certain assurances of an equitable relationship within any economic assistance program, by virtue of their participation in the various agencies of the United Nations. Small powers like Burma, for instance, feel that they have the support of other Asian and African nations in any negotiations and arrangements for assistance that take place within the framework of the United Nations, whereas they fear a bilateral arrangement with the United States.

## FEAR OF MILITARY INVOLVEMENT

Many of the Asian-African countries are particularly fearful of being drawn into an alliance with the United States in the cold war struggle with the Communist powers, if they accept substantial economic aid. We have not helped to allay those suspicions but have intensified them by our tendency to give special considerations to those underdeveloped territories who show a willingness to cooperate in a military manner. Regardless of the view that we may hold of the desirability of such military programs, we can agree that it is a mistake to use economic assistance as bait to hungry peoples in order to align them more securely on our side in the cold war struggle. There are several Asiatic nations who have clearly defined their policy as one of non-commitment in the cold war, and we only alienate them by seeking to convert them as "rice Christians" to our faith. If we fully realize that poverty and ignorance are greater enemies than the Communists, we will not make our aid conditional on military commitments. But as long as we continue our main economic aid program to these areas on a bilateral basis we will always be tempted to attach strings to it, and there will be a suspicion on the part of the recipients that the strings exist even if they do not.

## COLONIAL POWER SUSPICIONS

To date we have been able to give very little technical and economic assistance to the remaining colonial areas because of a similar reason. The Colonial Powers themselves are afraid that strings will be attached to United States aid, and a great many offers of assistance have been turned down largely for this reason. The Colonial Powers are fearful that the allegiance of the Colonial Peoples might be shifted from the mother power to the United States if our assistance were accepted. Therefore we find that a great deal more technical aid is already being given by the United Nations agencies to colonial territories than the United States has been able to give. If some of the superior resources of the United States program could be directed through the United Nations it would be possible to give a great deal more technical and economic help to the colonial peoples than is now being given.

## EFFICIENCY

It is also true that over the long run it would be possible to build up a more efficient and continuous program through United Nations agencies than it is possible for the United States to conduct. Our United States program is subject, to a considerable extent, to the changing internal political scene. There was a widespread change of leadership in our Point IV program when the new administration came into power. This meant that the whole program inevitably suffered from uncertainty and lack of continuous leadership. If this is to happen every time we have a change of administration it can only harm the overall program. Moreover, Congress is constantly changing its mind about the general direction of our foreign aid programs, and the agencies that are needed to operate it. The future of the present Foreign Operations Agency is very much in doubt today.

## GRADUAL TRANSFERENCE

Of course the U. N. is not equipped today to take over the administration of all the foreign aid programs of the United States, and this writer is not suggesting that it should do so immediately, nor is the suggestion being made that the United Nations ought to take over the entire United States foreign economic assistance program. But the objective should be established for the gradual transference to the United Nations of the largest burden of this program.

The administration ought to establish a goal of a certain amount of total economic assistance for the next five years. This goal we can hope will entail a considerably greater amount of money than is currently considered in the budget, because the assumption here is that we ought to be doing a great deal more than we are doing; but it is not the purpose of this paper to discuss amounts of money that are needed. Once the overall figure is arrived at, a plan of gradual transference to the United Nations of an increasing percentage should then be devised. With the cooperation of other nations it is safe to assume that the United Nations agencies can be expanded to cope with the increased program over a period of time.

The difficulty of convincing Congress each year the appropriations must be made will of course remain. However, we have that problem today even with the present small United Nations program, and if Congress understood that certain international commitments had been entered into and that we had a clear long-range policy, it ought to be possible to gain its cooperation for a long-term program as it was with the European Recovery Program.

*The central issue that we face is that Congress and the country must become convinced that our world responsibility in the field of economic and social assistance should be directed primarily through the United Nations and not bilaterally.*

## NEW AGENCIES

The Technical Assistance program of the United Nations is only a small percentage of the United States Point IV and economic aid program. Expansion of existing agencies and the establishment of new ones is needed.

The Eisenhower Administration took a big step forward in recommending the creation of the International Finance Corporation. This agency will encourage the flow of private capital into the underdeveloped areas. This is greatly needed and should be established as soon as possible. However, it is not envisioned that such an agency will handle grants in aid to Governments for development programs. This points up the central need for an agency under the United Nations to handle such grants in aid and long-term loans that the World Bank is not authorized to undertake.

## SUNFED

The creation of a Special United Nations Fund for Economic Development (SUNFED) has been proposed by various committees of the United Nations. *If the United Nations is to be entrusted with the burden of United States responsibility in this field, such an agency will have to be created.* In deed the United Nations program will remain what it is today—a fine hope but scarcely a program capable of abolishing world poverty and ignorance—if such a fund is not created.

United States policy within the United Nations has been opposed to the establishment of SUNFED despite the strong desires of the underdeveloped nations for its establishment. The stated reason for this opposition has been the belief that we could not commit ourselves to further capital expenditures for world assistance unless it became possible to make certain savings from disarmament agreements. Most of the other industrialized nations of the world supported the United States in this contention, while the underdeveloped countries argued that the establishment of a fund with an initial capital of \$250 millions would not strain the resources of the Western World, and to link development with disarmament was unwise.

## SOME BUSINESS OPPOSITION

Like so many of the debates in the United Nations the arguments of our diplomats did not reflect the underlying realities. The truth of the matter is that the United States Government has not yet accepted the principle of multi-lateral economic development with public funds. The predominant objective



of the present administration is to encourage world economic development primarily with private capital. There are strong business groups in this country who wish to end as quickly as possible any public financing of world development whether it be through the United States program or the United Nations. They are concerned primarily to balance the budget and reduce taxes, and furthermore they fear that public financing might compete with private investment abroad. An article in the October 1953 issue of Nation's Business was entitled "SUNFED—Your name on a Blank Check," with a subtitle, "Taxpayers are on the spot again as the new international aid scheme raises false hopes among the foreign nations." A report just released by the Senate Banking and Currency Committee prepared for it by a 128-member citizen advisory committee under the Chairmanship of Roy C. Ingersol, president of the Borg-Warner Corporation of Chicago, basically urges an end to large-scale Government grants for overseas development and states that United States private enterprise should have the primary responsibility for such development except in a few public interest fields.

*The establishment of a program like SUNFED is the very key to the initiation of a United Nations world development program.* As much as the present Technical Assistance Program has done to improve conditions in certain areas, they are only pilot projects. In some cases if they are not followed up with real economic assistance for development they can do more harm than good. For example, if the population is increased by abolishing disease to a large extent, but the means do not exist to increase production to offset the population gains, then greater discontent and conflict will result. Through SUNFED the United Nations would be able to launch programs of real economic development which will raise living standards despite increases in population.

*If we accept the necessity of transferring the major portion of our own United States world development programs to the United Nations, then we must support the establishment of new agencies like SUNFED to carry out this enlarged responsibility.*

#### A NEW INTERNATIONALISM

For those of us who, despite the sorry events of the postwar years, still hold in our minds the vision of "One World" ultimately in which there will be peace among men, the growth of the United Nations into an organization capable of removing the causes of conflict and arbitrating disputes is absolutely essential. We have learned that it is not possible to strike off in one blow a world constitution capable of fulfilling these high ends. But rather in a world of such base divergences it is necessary to build block upon block through the years as the great cathedrals were built in the Middle Ages. Therefore the task of the internationalist in our time is to seek to strengthen the existing agencies of the United Nations and to create new ones which will help the development of the world community. It is in this way that we can move forward, as the overriding urgencies of the common task are the greatest forces for uniting men. There are certainly no more important concerns to men in this 20th century than the improvement of their living standards, and we should take advantage of this primary urge to strengthen the bonds that unite us.

Unquestionably there has been growing throughout the length and breadth of the United States a recognition of our world responsibility in the fields of economic and social development. The achievements of the Marshall Plan and the Point IV program have shown what can be done. People are tired of the preventive warriors—the McCarthys and the Knowlands—who have scared them with false predictions of dire conflict. The time has come for the American internationalists to come out of the storm cellar and seize the initiative once again.

#### A CITIZEN'S MOVEMENT

*The great liberal organizations of this country who will be participating in this conference, together with many willing individuals, should form a citizens' committee to educate the country and pressure Congress to undertake the adoption of a bold new program of worldwide economic and social development that will abolish the threat of expanding communism in the only way that it can be abolished. The discussions and speeches of this National Workshop will generate new thought on the subject, but at the same time we must not let the opportunity to initiate new action pass. If we are going to increase the amounts of capital and technical assistance the United States is pumping into the life stream of the world, and if we are going to shift the program from a national*

*emphasis to an international emphasis through the United Nations, and if we are really going to eliminate the sources of world conflict and lift humanity to a new level of hope and happiness, then we have got to get down to the business of organizing in this country an effective education and action group that will bring these things to pass.*

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#### NATIONAL WORKSHOP ON WORLD SOCIAL AND ECONOMIC DEVELOPMENT

816 21st St. NW., Washington, D. C.

#### ARE WE RIGHT ABOUT SUNFED?

*Louis H. Pink, International Economic Union*

The provision of reasonably adequate funds for underdeveloped countries has been discussed for several years. The idea will not die—probably because it has real merit. The latest program, *SUNFED* (Special United Nations Fund for Economic Development), entails the advancement of \$250 million in loans or grants and is a natural follow-up for U. N. technical assistance programs. Technical assistance experts supply the plans and know-how—but capital and pump priming are needed to carry out the plans.

Nelson Rockefeller suggested a similar plan for an International Development Authority and International Finance Corporation which would be affiliated with the International Bank. The Bank can lend money only if there is a reasonable certainty that it will be returned. But backward countries cannot always provide fully bankable or interest-bearing loans, nor have they enough capital to do the work themselves. Private investors put their money into oil or other natural resources when they make foreign investments, and will loan or invest only where there is a reasonable margin of safety.

Now that the election is over, Congress should be less fearful of taking a stand for such a forward-looking program. In 1950, Congress stated that the policy of this country is to help people in underdeveloped areas to "develop their own resources and improve their working and living conditions by encouraging the exchange of technical knowledge and skills and the flow of investment capital." The United Nations Charter also declares this as one of its aims; its signatories pledged themselves to take joint and separate action for "higher standards of living, full employment and conditions of economic and social progress and development."

Raising living standards in these countries would not only enhance the welfare of the people, it would lessen the danger of war. Contented people want no war, but poverty-stricken people have little interest in peace or democracy.

Speaking before the American Society of Newspaper Editors in April, 1953, President Eisenhower said that when the cost of armaments is less, the United States would contribute to an international fund for underdeveloped countries. The President intended this as a promise which would encourage backward countries to help themselves, but, unfortunately, his qualification in regard to armament savings put the program on an "if" basis, and has been used as an argument for delay by some who oppose *SUNFED*.

A different kind of opposition comes, often from the same people, who contend that no action should be taken because the \$250 million proposed is insufficient. While the \$250 million is admittedly only a drop in the bucket compared with the need, a start must be made. It is impossible to do an adequate job without planning and machinery. *Months and perhaps years of organizational work must be done before capital can actually be put to work, but it is important to start now. SUNFED should be begun with the financial help now available from countries willing to go ahead even if the United States and a few other nations are not yet ready to contribute their share.*

The political and moral imperatives are clear to most people, but the economic advantages of *SUNFED* for the larger countries are too often overlooked. It has been demonstrated often that the poverty of some nations limits the welfare of all. Industrial countries must have the abundant raw materials of smaller nations for their own progress; and it is a truism that a prosperous country is the better customer. The hesitation of the United States on *SUNFED* is open to criticism. Great Britain and Belgium, it is said, have been influenced by our attitude. But France and the smaller nations, Denmark, Luxembourg, the Netherlands, Norway, Italy, and Japan, among them, favor going ahead.

Should we not follow the courageous attitude of little Denmark which, in replying to a questionnaire by Mr. Raymond Scheyven of Belgium (deputized by the General Assembly of the United Nations to report on SUNFED) said: "The Danish Government is of the opinion that the establishment of the special fund should not be postponed. It is neither found necessary nor desirable to await a general decline in defense expenditure. The proposed sum of \$250 million represents only an infinitesimal fraction of the total defense expenditure."

Mr. MORRIS. I would just like to make the statement, Senator, that at the present time, at least from 1952 to 1956, \$96,250,000 have been expended through the expanded U. N. technical assistance program as set forth by the plans we have been talking about, of which the United States has contributed \$53,600,000, more than 50 percent. With respect to 1956 alone, the total contribution in 1956 has been \$29,750,000, of which the United States has contributed \$15,500,000.

In the foreign-aid bill currently being considered by the Congress, request is made for fiscal 1957—

	<i>Million</i>
U. N. Expanded Technical Assistance Fund-----	\$15.5
United Nations Children's Fund (UNICEF)-----	10.0

I would like to offer those figures for the record.

Senator JENNER. It may go into the record and become a part of the record.

(The document referred to was marked "Exhibit No. 313" and is as follows:)

#### EXHIBIT No. 313

#### UNITED NATIONS AND MAJOR SPECIALIZED AGENCIES

#### *Budget and United States contributions*

Fiscal year	Total assessments	United States (percent)	United States contribution
<b>United Nations:</b>	<i>WCF</i>		
1946-----	\$15,426,172	39.89	\$6,153,500
1947-----	19,230,000	39.89	9,495,347
1948-----	27,450,000	39.89	10,949,805
1949-----	34,698,000	39.89	13,841,032
1950-----	41,617,000	39.89	16,601,021
1951-----	34,170,000	39.79	13,576,243
1952-----	42,570,000	38.92	16,394,244
1953-----	42,940,000	36.90	15,440,860
1954-----	44,200,000	35.12	15,167,040
1955-----	41,300,000	33.33	13,407,290
1956 (estimated)-----			13,212,012
<b>United Nations Educational, Scientific, and Cultural Organization:</b>			
1948-----	6,950,000	44.03	3,500,385
1949-----	7,650,000	41.88	3,601,424
1950-----	7,639,372	38.47	2,887,173
1951-----	7,906,279	37.82	2,814,381
1952-----	8,200,000	35.00	2,785,400
1953-----	8,718,000	33.33	2,855,609
1954-----	8,538,551	33.33	2,845,900
1955-----	9,461,449	33.33	3,153,501
1956 (estimated)-----			2,747,526
<b>World Health Organization:</b>			
1949-----	4,800,000	38.77	1,860,884
1950-----	5,000,000	38.54	1,918,220
1951-----	7,000,000	36.00	3,070,931
1952-----	7,089,025	35.00	2,481,159
1953-----	8,600,000	33.33	2,866,667
1954-----	8,920,200	33.33	2,993,400
1955-----	8,963,000	33.33	2,987,667
1956 (estimated)-----			3,000,000



*Budget and United States Contributions—Continued*

Fiscal year	Total assessments	United States (percent)	United States contribution
<b>Food and Agriculture Organization:</b>			
1946.....	\$2,500,000	25.00	\$625,000
1947.....	5,000,000	25.00	1,250,000
1948.....	5,000,000	25.00	1,250,000
1949.....	5,000,000	25.00	1,250,000
1950.....	5,000,000	27.10	1,250,000
1951.....	5,000,000	27.10	1,420,800
1952.....	5,225,000	30.00	1,355,000
1953.....	5,180,000	30.00	1,673,750
1954.....	5,225,000	30.00	1,554,000
1955.....	5,890,000	30.00	1,650,435
1956 (estimated).....			1,626,482
<b>International Labour Organization:</b>			
1946.....	3,047,873	17.53	532,639
1947.....	2,813,116	17.34	487,656
1948.....	3,727,332	15.65	521,697
1949.....	4,425,930	19.13	1,091,739
1950.....	5,185,539	18.35	848,058
1951.....	5,983,526	22.00	1,269,868
1952.....	6,219,506	25.00	1,466,412
1953.....	6,470,639	25.00	1,538,991
1954.....	6,469,085	25.00	1,421,299
1955.....	6,556,887	25.00	1,527,477
1956 (estimated).....			1,633,855
<b>International Civil Aviation Organization:</b>			
1946.....	<i>Canadian</i> \$996,972	11.95	119,160
1947.....	1,960,000	15.00	294,400
1948.....	2,600,000	19.59	509,278
1949.....	2,649,685	18.69	498,004
1950.....	2,610,607	18.47	463,979
1951.....	2,600,000	24.98	453,319
1952.....	2,834,191	24.97	698,610
1953.....	2,817,167	27.00	807,273
1954.....	2,530,310	29.71	787,750
1955.....	2,530,260	32.60	812,776
1956 (estimated).....			1,496,915
<b>International Telecommunications Union:</b>			
1950.....	<sup>1</sup> 1,817,525	8.04	146,311
1951.....	<sup>1</sup> 3,811,467	12.00	457,376
1952.....	<sup>1</sup> 1,394,937	7.83	109,264
1953.....	<sup>1</sup> 1,416,663	7.96	113,150
1954.....	<sup>1</sup> 1,439,100	9.60	138,200
1955.....	<sup>1</sup> 1,520,000	8.96	136,200
1956 (estimated).....			148,200
<b>World Meteorological Organization:</b>			
1952.....	190,000	12.67	24,855
1953.....	267,379	12.67	36,253
1954.....	284,881	11.89	36,253
1955.....	295,892	11.45	36,253
1956 (estimated).....			36,253
<b>Universal Postal Union:</b>			
1946.....	105,952	4.63	4,899
1947.....	125,829	4.60	5,783
1948.....	160,701	4.38	7,025
1949.....	198,162	4.43	8,781
1950.....	277,602	4.34	12,056
1951.....	281,976	4.38	12,341
1952.....	321,723	4.31	13,867
1953.....	400,000	4.63	18,520
1954.....	408,543	4.36	17,820
1955.....	408,543	4.36	17,820

<sup>1</sup> Includes ordinary and extraordinary budget figures.

## SPECIAL PROGRAMS FINANCED BY VOLUNTARY CONTRIBUTIONS TO THE UNITED NATIONS ORGANIZATION

*United States contributions, fiscal years 1949-53*

	1949	1950	1951	1952	1953
UNTA-----			\$12,007,500	\$11,400,000	\$8,171,333
UNRWA <sup>1</sup> -----	\$8,000,000	\$10,000,000	25,450,000	50,000,000	16,000,000
UNICEF-----	25,491,692	15,356,361	7,106,114		6,666,667
UNKRA-----				10,000,000	40,750,000
UNREF <sup>2</sup> -----					
IRO-----	70,643,728	70,447,729	25,000,000		
ICAO, joint support-----	1,103,366	547,939	650,000	676,312	653,814
Total-----	105,238,786	96,352,029	70,213,614	72,076,312	72,241,814

<sup>1</sup> Includes expenses of predecessor agency in 1949 and 1950.

<sup>2</sup> No contributions made from appropriated funds prior to fiscal year 1954.

NOTE.—The abbreviations used above stand for the following: UNTA—United Nations expanded program of technical assistance; UNRWA—United Nations Relief and Works Agency for Palestine Refugees in the Near East; UNICEF—United Nations International Children's Fund; UNKRA—United Nations Korean Reconstruction Agency; UNREF—United Nations High Commissioner for Refugees Emergency Fund; IRO—International Refugee Organization; ICAO—International Civil Aviation Organization.

STATEMENT BY ROY BATTLES, ASSISTANT TO THE MASTER, THE NATIONAL GRANGE, BEFORE SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS AND MOVEMENTS, HOUSE FOREIGN AFFAIRS COMMITTEE, CONCERNING FAO AND RELATED ORGANIZATIONS AND MOVEMENTS, FEBRUARY 29, 1956

The testimony of the National Grange today will deal primarily with the Food and Agriculture Organization, although we have developed some FAO comparisons with respects to the other so-called specialized agencies, certain of the U. N. programs and with respect to our own bilateral United States technical assistance program. These comments and comparisons concerning agencies other than FAO are designed to illustrate problems, and to enable us to place the total United States situation as it relates to these various programs in proper perspective.

FAO is a technical and scientific organization, global in nature, which this organization strongly endorses. It is made up of 72 nations—each nation with one vote. FAO is connected formally with the United Nations only through an agreement. Actually, it is an independent body, operating under its own constitution and is one of eight so-called specialized agencies. It was organized between 1943 and 1945, and was the first of the specialized agencies to be organized.

It is the feeling of the National Grange that FAO has blazed an enviable trail during the past decade. It is a pioneering movement between nations of the world that are joined together in a mutual undertaking. To a rather sizable degree, FAO has set a pattern for the other specialized agencies that have profited by FAO's experiences, successes and failures.

Grange interest in and support of FAO stem from our belief in what it is designed to accomplish. First, it is designed to help eliminate hunger around the world. Hunger breeds revolution and war, and it is to our national interest to end this hunger as rapidly as possible throughout all segments of the free world. FAO works toward this end through a program of technical assistance. Scientific know-how is brought into play on a cost-sharing basis, in an effort to increase food production. This, furthermore, is done on a selective basis, said selectivity being based on the potential efficiency of that production.

Second, it is designed to "upgrade diets," particularly among the underprivileged peoples. People who are well fed make better citizens—they can work harder and longer. When misery and listlessness are reduced, the opportunity and desire for raising living standards become greater, which in turn creates an atmosphere which is more favorable to prosperity. Prosperous people are not only less likely to precipitate wars, but are generally good customers of ours. The segment of FAO's program, then, to our way of thinking, is also in the national interest.

Then, there is a third function of the Food and Agriculture Organization. It collects food and agriculture data, or statistics, on a world scale. This is infinitely cheaper than for each nation to collect its own statistics.

The organization also does considerable spade and coordinating work in the field of marketing on a world scale, including such movements as the International Wheat Agreement. Special activities include studies such as that of appraising ways and means of disposing of surplus foods.

Getting back to technical assistance, it not only goes to cooperating countries in the field of agriculture and nutrition, but it also carries out many similar programs in the field of fisheries and forestry.

Actually, FAO is designed to help the ministry or Department of Agriculture in backward countries provide to their people, on a selective basis, the required know-how in production, marketing, farm credit, cooperative activities, etc. needed to assist them in raising their own standard of living.

We believe progress has been made in all of these fields, and that this progress contributes to our own national welfare. Members nations make their financial contributions directly to these specialized agencies in accordance with strict pledges made earlier.

In order that you may have some idea of the size of FAO compared with the other specialized agencies, as well as with the United States contribution thereto, the following table is submitted:

TABLE I.—Calendar year 1955 regular programs of specialized agencies

	Total assess- ment	United States	United States contribution
		<i>Percent</i>	
UNESCO.....	\$9,491,420	30.0	\$2,847,426
WHO.....	10,049,350	33.33	3,349,790
FAO.....	5,890,000	30.0	1,767,000
ILO.....	6,990,913	25.0	1,747,729
ICAO.....	2,530,260	32.6	824,539
ITU <sup>1</sup> .....	1,520,000	8.96	136,200
WMO <sup>1</sup> .....	295,892	11.45	36,253
UPU <sup>1</sup> .....	408,543	4.36	17,820
Total.....	37,176,378	-----	10,726,757

<sup>1</sup> 1955, United States fiscal year.

This total United States cost of about \$10¾ million for the regular program of the specialized agencies is relatively small compared to our own bilateral point 4 Technical Assistance Program, which in fiscal 1955 totaled \$117 million, and which is somewhat larger than this in the current fiscal year of 1956. The multilateral and bilateral programs both have a place, however, in furthering the national interest of the United States.

This committee is also undoubtedly aware of the fact that the United States makes certain other contributions to organizations with objectives similar to those of FAO. For instance, of the United Nations International Children's Fund of \$17½ million for fiscal 1956, the United States pays approximately \$9 million of the program. Of the total UNICEF Fund, \$3,060,000 is estimated to be allocated to food and agriculture uses. We will go into the other specialized agencies after we take a look at the U. N. itself.

The total budget of the United Nations for its regular activities for calendar year 1955 amounted to \$39,640,000, of which the United States contributed one-third, or \$13,212,012.

This brings us up to the Expanded Technical Assistance Program (ETAP). This program is a United Nations affair; it is controlled by the U. N. through its Technical Assistance Board and the Economic and Social Council, although through agreement, its program is carried out through the specialized agencies. The ETAP Program came into being as a result of point 4 of President Truman's inaugural address delivered in January of 1949. The following table gives the overall cost of ETAP in recent years, including the United States contribution thereto:



TABLE II.—*Expanded U. N. technical assistance program*

	Total contributions	United States percent	United States contribution
1952.....	\$18,800,000	60.0	\$11,400,000
1953.....	22,400,000	57.0	12,800,000
1954.....	25,300,000	55.0	13,900,000
1955.....			
1956 <sup>1</sup> .....	29,750,000	52.1	15,500,000
Total.....	96,250,000		53,600,000

<sup>1</sup> Approximate.

Of the 1956 figure of \$29,750,000, it is interesting to note that FAO is slated to receive something over \$8 million, or just less than 27 percent of this amount. This is materially more than FAO's regular program amounts to.

It is the feeling of the National Grange that it is now time for Congress to establish an overall United States policy concerning these multilateral global organizations. It is our opinion, furthermore, that 6 years' experience with ETAP make the development of such a policy at an early date imperative.

Our experience with UNICEF to a lesser degree also points up the need for a sound, long-range policy on the part of the Congress of the United States.

As we see it, the following problems have developed:

1. Contributions of nations to ETAP are voluntary. A nation may or may not contribute—as it sees fit. It may contribute one year and not contribute the next. It may make a pledge to contribute, and then fail to make good that pledge. In short, because contributions are voluntary and because of a problem discussed in (2) below, it is next to impossible—if not impossible—to plan a sound program on a long-range basis.

Under the regular program of the specialized agencies, member nations are bound by the constitution to make good their pledges so long as they remain members of the organization. Experience has shown that this makes sound, forward planning possible.

2. Contributions to ETAP may be made by cooperating nations in (a) local currencies—whether convertible or not; (b) services which amount to fellowships within the boundaries of the contributing nations or the use of technically trained specialists from the contributing nation, to be used outside that nation, or (c) certain materials.

This type of an arrangement brings forth a myriad of undesirable effects. In short, it becomes necessary for the administrators of ETAP to find ways of utilizing unsatisfactory contributions. At its worst, for example, the Russians, who are not members of FAO, make their contribution to ETAP in rubles, which must be spent where they can be spent. This is usually within the boundaries of Red Russia. They may be spent there—and usually are—for equipment, instruments, etc. The administrators of ETAP are also faced with the question of whether to accept Russian fellowships and Russian technically trained specialists to serve in the underdeveloped countries of the world. We question whether this type of an arrangement is in the interest of the United States.

Contributions made by member nations directly to the regular programs of the specialized agencies—including FAO—must be made in the form of readily convertible hard-cash currencies. There are no limitations on where these funds may be spent.

3. Contributions to ETAP are made by cooperating nations directly to a special account with the Secretary General of the United Nations for purposes of economic development and technical assistance. Regardless of the arguments presented by anyone concerning who controls ETAP, it is the position of the National Grange that the one who controls the purse strings calls the dance. This is universally true—it has always been true and will always be true. To argue otherwise might be bluntly and briefly described as asinine.

It is the position of the National Grange, furthermore, that centralized U. N. control of these technical assistance programs is basically unsound. This viewpoint is based on several facts, the chief one being that the United Nations is a political body. It is meant to be a political body—and rightly so. Grange support of the United Nations is a matter of record. Technical assistance, however, should not be run by politicians; it should be kept in the hands of the technically competent governing bodies of the various operating organizations

of the specialized agencies. This, in the case of FAO, means people at the level of the departments or ministries of agriculture. As we understand it, FAO from the very beginning was meant to infuse strength into the ministries of agriculture, so that they could supply better services for the development of the national economies involved.

FAO delegates come from the ministries of agriculture; United Nations delegates come from the ministries of foreign affairs. The ministry of foreign affairs in most countries has little to do with the domestic agricultural programs. Therefore, they are not technically unqualified to formulate food and agriculture technical assistance programs, but are basically uninterested in those programs—except as they are used as tools to implement foreign policy. And it is our position that they should not be used as such tools.

The centralized ETAP approach is also immensely expensive from the administrative point of view. For example, for the first 18 months of the program, the administrative expense stood at \$180,000; in 1952 it climbed to \$476,000; the 1953 budget of TAB amounted to \$1,299,000, while the administrative expenses of the program in 1954 added up to \$1,300,000. I am reliably informed, furthermore, that in 1955 and 1956 even higher administrative expenses are being incurred by TAB.

One of the reasons for this high expense is that the Executive Chairman of TAB has a large staff of "country representatives." These country representatives suggest, coerce, and demand—under the guise of a balanced and fully coordinated program for the country—the type of work the recipient nations are able to undertake under ETAP.

This, we believe, is basically wrong. Who in the United Nations, or in any of its resident country field offices, is sufficiently wise to guide the destiny of the sovereign recipient country? How would Uncle Sam like it if some U. N. person entered into his affairs in this manner? This sort of centralized world planning leadership smacks strongly of being exactly the opposite type of philosophy of that upon which this Nation was founded and should be seeking to perpetuate and encourage—rather than stifle and restrict.

In the case of FAO and the regular programs of the other specialized agencies, the nations themselves decide what they want and then come to FAO for aid. This, we maintain, is by far the sounder approach.

In fact, there are several signs at the present time that since the ETAP portion of the total FAO program is materially larger than the regular program of FAO, and because of various coercive forces that have been brought into play, the so-called "centralizers," through their ingenious system of indirect financing, have been able to change the functioning of the whole international structure in this field during the past 5 years. This, if true, is in flagrant defiance of the constitutions of the international organizations themselves, and we feel is also in violation of the intent of the Congress of the United States.

4. It is the feeling of the National Grange that the United States is paying a much greater proportion of the total expenses of the technical assistance programs than is either desirable or necessary. Because we are appropriating a different percentage share to three separate funds, the United States is contributing, we believe, very close to 50 percent of the money used by the international organizations for work in the field of food and agriculture.

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|---|---------------|
| (a) To FAO, where the entire program is food and agriculture, the United States pays 31½ percent of the budget, which in 1956 is \$6.8 million, or-----   | \$2, 079, 000 |
| (b) To the U. N. technical assistance program (ETAP), where the portion of the fund to be used for food and agriculture in 1956 is estimated at \$8 million, the United States pays 52 percent, or----- | 4, 160, 000   |
| (c) To UNICEF where the portion of the fund to be used for food and agriculture in 1956 is estimated at \$3,060,000, the United States pays 74 percent, or-----   | 2, 264, 400   |

There is still another peculiarity in FAO's budgetary affairs to which we would like to call your attention. During the past 10 years, as I said before, the number of countries in FAO has increased from 44 to 72. Each member country pays dues. But with the United States dollar ceiling of \$2 million serving as a tight lid on the upward movement of the FAO budget, and the United States taking a larger and larger percentage share of FAO's costs, the net result has been a substantial decrease in the dues which other member countries pay to FAO. For example, the United Kingdom, which is the second largest contributor

to FAO, has gone down from 15 to about 10 percent. Other reductions are: Brazil from 3.46 to 1.71 percent; Australia from 3.33 to 2.06 percent; New Zealand from 1.15 to 0.58 percent; Union of South Africa from 2.31 to 0.77 percent; Columbia from 6.50 to 0.65 percent; Egypt from 1.73 to 0.60 percent; Nicaragua from 1.15 to 0.05 percent. These are not the whole list, but they will serve to make the point that reductions have been spread pretty much over the whole membership.

Add to all of this the fact that costs have gone up for FAO as for everyone else, its responsibilities have increased with larger membership, and demands for its services have grown steadily as the organization has proved its worth. There is no easy way out of a dilemma like this for FAO, which probably explains why it has been prostituting itself by taking large sums of money from the political organization, U. N., along with the controls and supervision of its technical programs, which the political U. N. is not qualified to give.

Perhaps it was the indignity and unfairness of all of this which sparked the budget brawl which nearly wrecked the last FAO Conference, held in Rome in November. The Director-General, who is a distinguished American agricultural scientist, threatened to resign when the United States delegation would not support his modest budget increase from \$6 million to \$7 million. Those countries which favored the increase attacked the United States for stunting the normal growth of FAO, and those countries which did not want to pay more themselves claimed that the United States was obliged to fulfill its promise to pay 33½ percent of the FAO budget, now that the United States contribution to U. N. had finally been reduced to that figure.

After the bitterest kind of wrangling, in a spirit totally foreign to FAO in the past, the nations voted a compromise budget for 1956 of \$6.6 million, and then increased the United States percentage from 30 to 31.5 percent. All of this means that the United States, which pays three times the amount of dues in FAO as the next largest contributor, and which is actually the source of nearly half the funds on which the organization operates (counting money received through the U. N. expanded technical assistance program and UNICEF), was first blamed before the whole agricultural world for inflicting financial starvation on FAO, and then assessed an amount for the year ahead which exceeds the dollar ceiling imposed by the United States Congress.

The committee, incidentally, is unquestionably aware of the congressional move now under way to raise the ceiling of United States contributions to FAO.

FAO started out with the United States paying only 25 percent of the total budget. That was when 44 nations belonged to FAO. It was the position of this country from the beginning that it would be undesirable for the United States or any nation to assume too big a share of the budget. This was for the reason that if some nations assumed too large a portion of the budget, and then withdrew from the organization, the organization's program would suffer materially. It was also for the reason that it was felt—and experience in this country has borne this out—that people are as interested in a program as the size of their financial contribution. It would seem to us that if 44 governments in 1945 could agree, at a time of financial chaos, that 25 percent was a proper share for the United States to pay for food and agriculture programs, why it is necessary now to pay 50 percent of the total cost when we have 72 member governments in FAO? In short, if we are going to pay that sort of proportion of the budget, why not make it a bilateral program and pay all of it, so as to tie the programs strongly into our own foreign policy objectives?

We are not really arguing that it would not be desirable for the United States to pay 33½ percent of the total cost of these technical assistance programs. That is the proportion of the cost we pay with respect to the United Nations itself. We are not prepared to argue one way or the other on this issue. We are prepared to say, however, that 50 percent—even anywhere near 50 percent—of the total cost of these programs to be shared by the United States is not desirable.

5. Actually, with the advent of ETAP, we brought about a situation whereby we dumped one program literally upon the other. Since the ETAP program is channeled through the specialized agencies themselves, we figuratively have a two-headed monstrosity from an administrative point of view. FAO, for instance, must operate under 2 budgets, 2 sets of administrative funds, 2 sets of governing bodies, 2 sets of books, and 2 sets of employees. Each administrator of the specialized agencies must give an accounting to separate groups of governmental authorities, their own governing bodies, and the United Nations Economic and Social Council. To our way of thinking, this is an outrage to the United States taxpayer, and demands immediate termination of this wasteful, inefficient and costly duplication of effort.



In summation, we would like to point out that in requesting Congress to formulate a long-range, overall policy in this field, we base this request on the following points:

1. Any advantages of voluntary contributions are outweighed by the disadvantages.
2. The day when contributions to these programs can be made in unconvertible currencies, or in terms of services and materials, is completely outmoded.
3. Centralized political control on the part of the United Nations or any other world body is undesirable.
4. It is unnecessary and undesirable that the United States pay anywhere near 50 percent of the total cost of these programs.
5. It is unthinkable to attempt to run two completely separate programs in this same field.

In conclusion then, we recommend that the expanded technical assistance program, insofar as United States contributions are concerned, be tapered off as rapidly as feasible, and that from hereon in, we make our contributions directly to the specialized agencies.

The experience of FAO and other multilateral agencies shows that the so-called regular program and the so-called expanded technical assistance program are in reality a single program, basically indistinguishable except for budgetary and bookkeeping purposes. The distinction between them is a historical accident, due to the way in which the so-called expanded technical assistance program originated. From the standpoint of operating efficiency and effectiveness, the two programs must be integrated.

We believe such a change can be made not only without damage, but with great benefit to the work of these agencies, and that it will strengthen United States participation in the work. We also believe the change should and can be effected in a comparatively short period of time.

It is the opinion of this organization that the total program of these two bodies, when combined under the regular programs, should not be cut back. We are unable to say just exactly how much of our total, overall United States effort should be channeled through the multilateral programs and how much of it should be bilateral. We are comparatively sure, however, that the multilateral program should not be curtailed at this time. To accomplish this, it will be necessary to abolish the dollar ceiling on the United States contribution to FAO, to enable the organization to receive the whole amount which the United States may appropriate for work to be done internationally in the fields of food and agriculture.

In order to assist the Congress in developing such a long-range policy, we have joined with the American Farm Bureau Federation and the National Council of Farmer Cooperatives in framing the following proposed resolution.

JOINT RESOLUTION STATING THE POLICY OF THE CONGRESS ON THE PARTICIPATION OF THE UNITED STATES IN MULTILATERAL TECHNICAL COOPERATION PROGRAMS

*"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the participation of the United States in multilateral technical cooperation programs shall be on the same basis as the participation of the United States in the regularly established and budgeted activities of the international organizations which operate such programs and of which the United States is a member.*

*"SEC. 2. In adopting this joint resolution, it is the sense of the Congress that the Government of the United States should use its best efforts to bring about, as soon as practicable, and in any case no later than the end of calendar year 1957, the transfer of operations of multilateral technical cooperation programs from the basis of the United Nations Expanded Program of Technical Assistance to the same basis as the regularly established programs of the international organizations which have participated in the Expanded Program, so that contributions for multilateral technical cooperation from each member government will be made to each international organization carrying on such activity in the same manner as contributions for regularly budgeted activities of the organizations, and so that the programs of multilateral technical cooperation administered by these organizations will be reviewed and determined by the representatives of their member governments in the same manner as their regularly established programs. It is further the sense of the Congress that the participation of the United States in any multilateral programs of a nonemergency nature for economic development or for other purposes, which operate now or which may be proposed in the future,*

shall be on the same basis as its participation in the regularly established activities of the international organizations that may be proposed to have a part in carrying on such programs.

"SEC. 3. In adopting this joint resolution the Congress does so with the understanding that, in the transfer of operations of multilateral technical cooperation programs to the same basis as the regular programs of the international organizations operating these programs, the Government of the United States should secure the adoption by the governing organ of each such international organization of a precise statement of the purposes, objectives, and methods of these programs appropriate to each such international organization to insure that the programs will operate in a coordinated and integrated manner and that the programs will be susceptible of achieving meaningful progress toward defined objectives. The Congress also understands that the basic objectives of the programs will be stated as being to assist member governments to establish the services necessary to enable their people to improve their industrial and agricultural livelihood and well being and their health, education, condition of labor, and general welfare."

This latter section of the above proposed joint resolution is actually only a precautionary feature. A mechanism to accomplish this type of needed coordination is already a part of FAO and the other specialized agencies. The founders of these agencies recognized that their work cannot be done in a vacuum, and made provisions in the various constitutions for cooperation with other organizations working in the same or related field. As a matter of fact, FAO has negotiated an agreement of general cooperation with the United Nations and the other specialized agencies to handle problems of common interest, such as the Joint Committee on Nutrition with WHO.

Furthermore, most of the coordination actually needs to be done within the recipient governments themselves. Since the projects of the specialized agencies are largely carried on within countries, it therefore becomes a country problem of making sure that the program instituted therein does not carry with it overlapping or duplicating features with respect to other programs.

In short, we believe that there is ample provision for full coordination under existing relationships between the specialized agencies without the kind of undesirable central control that has tended to characterize the system of appropriation to and allocation from a central fund under a United Nations administrator.

If, on the other hand, this machinery mentioned above needs strengthening to meet the special conditions of an enlarged technical assistance program, the problem can and should be worked out by the agencies themselves, with the poney guidance of their governing bodies, and in accordance with the recommendations proposed under section 3 of the above-proposed joint resolution.

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The following statements by representatives of the National Grange, the American Farm Bureau Federation, the National Council of Farmer Cooperatives, and of Francis O. Wilcox, Assistant Secretary of State for International Organization Affairs, were later ordered printed in this record and read as follows:

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE HOUSE FOREIGN AFFAIRS SUBCOMMITTEE DEALING WITH INTERNATIONAL ORGANIZATION, BY JOHN C. LYNN, LEGISLATIVE DIRECTOR, MARCH 1, 1956

The American Farm Bureau Federation appreciates this opportunity to present its views with regard to certain aspects of international organizations and some guiding principles we think should be followed. Our testimony today will deal primarily with the Food and Agriculture Organization and the expanded technical assistance program.

The American Farm Bureau Federation has had a long continuing interest in technical assistance and related programs. We recognize full well that there are forces at work in the world today that make it necessary for the United States to take aggressive action in order that we may maintain our freedom and perpetuate and promote the freedoms of other nations.

The security of America and that of the rest of the free world are inseparable and require building up the collective strength of the free nations through mutual cooperation.

Quoted below is our resolution dealing with United Nations and specialized agencies:

"The United Nations is a force for world peace. Though it has failed to solve some problems, it has succeeded in solving others. Where there is discussion, there is hope.

"We favor continued financial support of the United Nations and its specialized agencies. However, we insist that these funds be allocated to the specialized agencies and that the funds and program be administered on a decentralized basis. We oppose centralizing the use and administration of funds for specialized agencies in the United Nations."

The United Nations and its specialized agencies have been carrying on the technical assistance program for several years. We would like to comment briefly with regard to the technical assistance program as it relates to the Food and Agriculture Organization of the United Nations. We know of some of the work FAO is doing in the technical assistance field, and dollar for dollar expended, FAO is perhaps getting a better job done than is the United States bilateral technical assistance program.

The Food and Agriculture Organization has, as you know, a regular budget of about \$6 million, of which the United States contributes about \$1.6 million. The authorization for FAO is fixed by Congress at \$2 million. We believe consideration should be given to increasing this authorization.

In recent years the FAO has been carrying on what is commonly referred to as the expanded technical assistance program. The United States contribution to this expanded program is about \$16 million annually. This represents about 56 percent of the total program.

There has been a recent move to centralize the allocation and use of these funds in the United Nations. We believe that FAO is more familiar with the needs for technical assistance in agriculture and that this program should be directed and the funds utilized by FAO, with sufficient coordination between agencies to avoid duplication of effort.

The United States has contributed dollars, at first on the basis that its contributions should not exceed 60 percent of the total contributed by all governments and now on the basis that it should not exceed 50 percent of the total. This type of contribution arrangement is the same as that used for emergency or temporary U. N. programs such as those for relief of Korea or for Palestine refugees. It was never contemplated, however, that multilateral technical cooperation programs would be temporary.

In the light of the experience with the operation of these programs on this basis over the past 6 years, it is considered essential that they now be placed on the same basis of contribution and operation as are the regular programs of the international organizations such as WHO and FAO which have, up to now, been operating these programs. The arrangement of voluntary contributions with the United States contributing 50 to 60 percent of the total was perhaps useful as a means of getting the programs underway and accepted by the other member countries, particularly the underdeveloped countries. However, it is clear now that these programs have become well accepted that the disadvantages of voluntary contributions to a special U. N. account far outweigh whatever the initial advantages might have been. The disadvantages of continuing these programs on a voluntary basis are:

1. The fact of the programs' being established on a voluntary basis means that their continuity and level of operation is at best tenuous. Any government at any time may fail to make its annual pledge for the operation of the programs and may fail to pay up on its pledge at any time. This makes sound forward planning and effective operation of the programs difficult if not impossible.

2. The fact of contributions being made in nonconvertible currencies or in services or materials on the basis of credits in domestic currencies also severely limits effective operations and forces the operating organizations into all manner of extra and undesirable efforts in order to find ways to utilize these unsatisfactory contributions. One of the prime examples of this is the problem presented by the contribution over the past 3 years of Russian rubles. Because these are nonconvertible it means in effect that they can be utilized only for Russian technicians, Russian equipment, or for fellowships in Russia. There are similar problems with other currencies including blocked Australian pounds and many others.

3. In addition to these financial disadvantages, there are many administrative disadvantages which have resulted in large part from the establishment of contributions to multilateral technical cooperation programs on the basis of a special account set up by the Secretary General of the U. N. with allocations



from that account made to the operating organizations. This is contrary to the regularly established arrangements for contributions to the specialized agencies of the U. N. system such as FAO and WHO whereby contributions are made by member governments directly to these organizations. The establishment of the special account set up by the Secretary General has lead to efforts on the part of member governments of the U. N. Economic and Social Council and General Assembly to have control over the content of the programs and disbursement of the funds placed in those bodies rather than in the governing bodies of the operating organizations. This has meant friction between these various bodies and has lead to a warping of the process of program development in order to facilitate the establishment of control over these programs by the U. N. bodies. For example, under the latest set of procedures established by these U. N. bodies programs are developed by countries receiving technical assistance and are approved by the U. N. bodies without approval of the governing bodies of the operating organizations. The disadvantage to this procedure is that the operating organizations have the technical competence which should be the determining factor in the development of these programs, whereas the representatives of member governments on the U. N. bodies represent international political rather than technical interests.

In view of these disadvantages and in order to provide for the continuation on a sound long-term basis of those aspects of the technical cooperation programs which have proved worthwhile in the experience of their 6 years of operation, it is necessary that the basis of operation be transferred from that of voluntary contributions to a special account to that of contributions on a regular basis.

The advantages of transferring the administration of these programs to a regular basis are that this would overcome each of the disadvantages listed above. Contributions to international organizations on a regular basis are made by member governments to the organizations such as FAO and WHO, which were established to carry on technical programs. These contributions are made on the basis of a scale of contributions which is agreed to in advance by the member governments and are made in currencies which are usable for program purposes or are convertible to currencies which can be freely used in the operation of the program. Sanctions are provided in the financial regulations of these organizations to insure that member governments pay their contributions within a reasonable period. This system of contribution provides an adequate degree of assurance to the international organizations to permit it to plan and develop sound programs on a continuing basis and it places contributing member governments on a relatively equitable footing. This is in contrast to the present voluntary system of contribution which puts the United States, for example, at a relative disadvantage in regard to governments which are free to contribute any amount they see fit in soft currencies or in services or materials.

The administrative advantages of transferring the operation of these programs to a regular program basis are that this would place the determination and control of the programs in the hands of the technically competent governing bodies of the operating organizations; it would do away with the necessity of duplicate sets of books and other administrative requirements.

In general, transfer of the present basis of operation of these programs to a regular basis of operation would mean sounder, more constructive, and more effective programs operated with a greater total efficiency. For programs thus established the regular coordination machinery of the U. N. system would be adequate to insure integrated operations and at much less cost than the overdeveloped centralized administrative structure which has grown up throughout the operation of the present centralized fund.

We recommend that the Congress indicate clearly its desires in connection with the expanded technical assistance program and that the money appropriated by the United States for this purpose be distributed to the specialized agencies. We believe it is sound policy for the Congress to indicate its desires with regard to the expenditure of these funds.

Over the long period we believe it wise to consider a reduction of funds for the so-called expended technical assistance program in FAO and a gradual increase in the regular funds available for FAO. This would give other nations an opportunity for further participation in the expanded program and would permit better planning and administration. We recommend that Congress give consideration to this matter.

We believe that a joint resolution stating the policy of Congress with regard to the participation of the United States in multilateral technical cooperation programs would be very helpful. We have had meetings with farm organizations and other interested groups and believe that a joint resolution, attached to this statement, would help clarify the situation.

JOINT RESOLUTION STATING THE POLICY OF THE CONGRESS ON THE PARTICIPATION OF THE UNITED STATES IN MULTILATERAL TECHNICAL COOPERATION PROGRAMS

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the participation of the United States in multilateral technical cooperation programs shall be on the same basis as the participation of the United States in the regularly established and budgeted activities of the international organizations which operate such programs and of which the United States is a member.*

SEC. 2. In adopting this joint resolution, it is the sense of the Congress that the Government of the United States should use its best efforts to bring about, as soon as practicable, and in any case no later than the end of calendar year 1957, the transfer of operations of multilateral technical cooperation programs from the basis of the United Nations expanded program of technical assistance to the same basis as the regularly established programs of the international organizations which have participated in the expanded program, so that contributions for multilateral technical cooperation from each member government will be made to each international organization carrying on such activity in the same manner as contributions for regularly budgeted activities of the organizations, and so that the programs of multilateral technical cooperation administered by these organizations will be reviewed and determined by the representatives of their member governments in the same manner as their regularly established programs. It is further the sense of the Congress that the participation of the United States in any multilateral programs of a nonemergency nature for economic development or for other purposes, which operate now or which may be proposed in the future, shall be on the same basis as its participation in the regularly established activities of the international organizations that may be proposed to have a part in carrying on such programs.

SEC. 3. In adopting this joint resolution the Congress does so with the understanding that, in the transfer of operations of multilateral technical cooperation programs to the same basis as the regular programs of the international organizations operating these programs, the Government of the United States should secure the adoption by the governing organ of each such international organization of a precise statement of the purposes, objectives, and methods of these programs appropriate to each such international organization to insure that the programs will operate in a coordinated and integrated manner and that the programs will be susceptible of achieving meaningful progress toward defined objectives. The Congress also understands that the basic objectives of the programs will be stated as being to assist member governments to establish the services necessary to enable their people to improve their industrial and agricultural livelihood and well-being and their health, education, condition of labor, and general welfare.

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NATIONAL COUNCIL OF FARMER COOPERATIVES,  
Washington, D. C., March 1, 1958.

STATEMENT ON EXPANDING TECHNICAL ASSISTANCE CONCERNING FAO BEFORE  
SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS AND MOVEMENTS OF THE  
HOUSE FOREIGN AFFAIRS COMMITTEE

The National Council of Farmer Cooperatives has traditionally been in favor of the Food and Agriculture Organization and has supported its work in the technical-assistance field in foreign countries. The program has been participated in by member countries on a growing basis and the work has been generally acceptable and constructive.

We are concerned, however, that the expanded technical-assistance program which has been grafted upon the regular program of FAO, appears to have injected some very unhealthy issues into the operation of FAO. We refer particularly to the fact that there has been developed 2 separate sets of criteria, programs and program controls—1 for the regular work program of FAO and 1 for the expanded work under control of ECOSOC. Yet both areas of work

activity are one and the same program. With the expanded program on a basis of voluntary contributions, it is difficult to plan continuity and to establish permanent levels of operation, which makes effective operation extremely uncertain and dependent to an inordinate degree on United States contributions. While ours is the major contribution there can be no effective guidance or impact upon the program because of the interposition of ECOSOC and the U. N. between our contributions and final use.

The administrative disadvantages of a special account for the expanded program, set up on the basis of control by the Secretary General of the United Nations with arbitrary allocations to that account made to operating organizations, clearly lays the basis for ultimate controls of their programs and operations by an international political organization with no competence in the technical field. FAO is a technical organization and should be operated by trained technicians, not only as to program decisions but their implementation.

There have already been efforts, we understand, on the part of member governments of ECOSOC and the United Nations General Assembly, to secure control of the programs and disbursement of funds rather than continue them in the governing bodies of the operating organizations. This has led to friction within these bodies and between them. For example, under the current procedures established by these U. N. bodies, countries receiving technical assistance develop the programs and they are approved by the U. N. bodies without the approval of the operating organizations. This injects international political considerations rather than those of a technical nature.

Further, there is required a very foolish procedure of having to maintain 2 sets of administrative and financial operations as well as 2 sets of advisory and reporting relationships. Yet, these technical bodies carry out 1 rather than 2 programs, and divisions as mentioned above tend to maintain an entirely fictitious and useless basis for operation.

In view of all these disadvantages, and so that continuity on a sound long-term basis of these technical cooperation programs may be provided, we believe it to be necessary that the basis of operation be transferred from that of voluntary contributions to a special account in the United Nations, to one of participating countries making contributions on a regular and foreseeable basis to FAO. This would eliminate many of the disadvantages listed and would keep the control of technical programs in the hands of technically trained people without dominance by international politics, and would permit of sound forward planning.

Contributions, moreover, should be made in currencies which are usable for general purposes or which are convertible and thus freely available in the operation of the program. This would eliminate the situation of Russian contributions which are made in rubles which are inconvertible and therefore usable only for payment to Russian technicians.

Generally, a transfer of the present basis of dual operation to the regular basis we propose, would mean far greater efficiency and devotion to practical food and agriculture projects. The regular coordinating machinery of the U. N. is regarded as adequate to safeguard integrated operations and to avoid duplication.

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STATEMENT BY FRANCIS O. WILCOX, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS, JULY 24, 1956, RE THE UNITED NATIONS EXPANDED PROGRAM OF TECHNICAL ASSISTANCE

Mr. Chairman, I am grateful for the opportunity to come here today to endeavor to help set the record straight with respect to the origins and nature of the U. N. expanded technical assistance program. This program has proved to be one of the most successful operations of the specialized agencies of the U. N. system, as well as of the U. N. itself. Support of the program has become an important element in American foreign policy.

I note that the three farm organizations, in their letter to Senator Eastland of May 4, 1956, stated that certain information provided by them on the origins of his program "seems to provide the basis for concern as to the internal-security implications of some of the developments in this field."

I also note that the farm organizations themselves state that they "cannot determine what conclusions, if any, are justified" from this information. I am anxious to help you in any way that I can to investigate this matter.



## POINTS ARISING OUT OF DOCUMENTATION

The documentary information supplied by the 3 farm organizations seems, on its face, intended to establish 4 principal points:

(1) that the new technical assistance program was established in inherent violation of the U. N. Charter and the constitutional purposes of the various agencies of the United Nations system;

(2) that the Soviet Union favored a technical assistance program based on a central U. N. fund, with the hope that they might dominate it;

(3) that the United States position in favor of a technical assistance program based on a central fund was influenced by certain pro-Communist elements in the U. N.;

(4) that this United States position was the result of State Department decisions taken without adequate consultation with the other interested departments and agencies of the United States Government;

With respect to other points that arise from the documents furnished by the three farm organizations, I shall be glad to deal with as many of these in such manner as the committee may desire.

# I. CONTENTION THAT EXPANDED PROGRAM IS IN VIOLATION OF U. N. CONSTITUTIONAL SYSTEM

The information furnished by the farm groups contends that the expanded technical assistance program, based on a central fund and including the United Nations as one of the participating organizations, is inherently in violation of the U. N. Charter and constitutional purposes of the U. N. system. I cannot subscribe to this contention. My reasons are as follows:

## 1. U. N. Charter encompasses technical assistance

The documentation of the farm groups makes the point that, although technical assistance was expressly provided for in the constitution of the Food and Agriculture Organization and certain other specialized agencies, it was not expressly provided for in the Charter of the United Nations.

It is true that the words "technical assistance" are not in the charter but a good deal else is there. Article 1 sets forth the purposes of the United Nations. Among these purposes, in paragraph 3, is included the following: "To achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character \* \* \*." Paragraph 4 goes on to state that the United Nations should "\* \* \* be a center for harmonizing the actions of nations in the attainment of these common ends." Under article 53, it is provided that "\* \* \* the United Nations shall promote (a) higher standards of living, full employment, and conditions of economic and social progress and development; (b) solutions of international, economic, social, health, and related problems; and international cultural and educational cooperation \* \* \*." Article 66, paragraph 2, is more specific. It provides that the Economic and Social Council "may, with the approval of the General Assembly, perform services at the request of members of the United Nations and at the request of specialized agencies." The technique of technical assistance has proved to be one of the genuinely constructive means of international action in the field of economic development. The institution of technical assistance program under the United Nations constitutes a concrete measure designed to carry out the broad purposes of the United Nations as set out in the charter.

I have had occasion, in the course of the last 11 years, to give some attention to the meaning of the charter. I am not aware that the restriction suggested in the farm group documentation has been significantly advanced in any other quarter. On the contrary, as the documentation makes clear, member governments of the U. N. have voted by very large majorities for a number of resolutions specifically authorizing the Secretary General of the U. N. to undertake technical assistance activities.

## 2. U. N. technical assistance is in fields not assigned to specialized agencies

The specialized agencies were given responsibility for certain definite fields of activity, such as agriculture, health, education, and labor. But, as international interest in economic development grew, it soon became evident that certain other fields of great importance to economic development did not fall within the orbit of any one of the specialized agencies. Chief among these fields was that of industrial development—a matter of great interest and significance to the underdeveloped countries. Also outside the jurisdiction of the existing

specialized agencies were such other areas as development of natural resources, surface transportation, public administration, and community development—all of these vital components of any program of economic development. It seemed wholly logical, therefore, that the United Nations should have been assigned authority to furnish technical assistance in these areas, which no specialized agency was constitutionally responsible for.

### *3. U. N. has clearly established coordinating role*

The role of the United Nations as a coordinating agency was, of course, clearly established by the charter. When the charter was drafted, several specialized agencies, including the FAO, were already in existence. Others were contemplated. To those drafting the charter it was obvious that the United Nations had to be assigned a definite coordinating role. Otherwise the effectiveness of the specialized agencies would have been seriously threatened by overlapping or duplication of activities. One of the main purposes of chapters IX and X of the charter was to establish this role of coordination. Specifically, article 58 provided that the United Nations "shall make recommendations for the coordination of the policies and activities of the specialized agencies"; article 60 vested responsibility for the discharge of this and other functions "in the General Assembly and, under the authority of the General Assembly, in the Economic and Social Council"; article 63, paragraph 2, provided that the Council "may coordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the members of the United Nations"; and finally article 64, paragraph 1, provided that the Council "may take appropriate steps to obtain regular reports from the specialized agencies." Within the framework of these broad provisions, the mechanism of the new technical assistance program could be fitted.

The specialized agencies must have reached precisely the same conclusion. Except for the International Bank and the International Monetary Fund (which had particular reasons of their own for not joining), these agencies—including the FAO—joined the program pursuant to their own constitutional processes and have rendered distinguished service within it ever since. In other words, the alleged constitutional difficulties and improprieties that the farm groups have subsequently discovered did not seem to be weighty arguments with either the agencies or their member governments.

### *4. U. N. constitutional authority sufficient to cover new technical assistance program*

In the face of the rising interest in economic development that became evident soon after the beginning of the United Nations, the members of the U. N. took steps to use the constitutional authority which had been given to the organization. The U. N. undertook technical assistance activities of its own in fields not assigned to the specialized agencies. With the consent of the agencies, it very naturally became the point at which the coordinating mechanism of the new program rested. The fact is that the United Nations, and the specialized agencies acting with it, did precisely what had to be done, by moving forward together, under full constitutional authority, to deal in a businesslike way with a problem that concerned them all.

## II. CONTENTION THAT SOVIET UNION FAVORED A TECHNICAL-ASSISTANCE PROGRAM BASED ON A CENTRAL U. N. FUND

The second contention made in the documentation is that the Soviet Union was in favor of a technical-assistance program based on a central U. N. fund, with the hope that they might dominate it. It seems to us, Mr. Chairman, that on this point the documentation which has been furnished fails to make its case.

### *1. Soviets opposed new machinery*

The ninth session of the Economic and Social Council, held in Geneva from July 5 to August 15, 1949, is the point at which the basic resolution of the expanded program was drafted. It is at this point, therefore, that we can best ascertain just what the governments' members of the Council wanted to accomplish. Among these governments in 1949 were the Soviet Union, Byelorussia, and Poland. On four separate occasions, the Soviet representative, Mr. Arutunian, plainly stated that his Government did not favor the creation of any new international machinery for technical assistance, but thought that existing machinery would be adequate for the purpose.

On July 26, 1949, in the general debate during which each delegation put forward its fundamental ideas as to how the new technical-assistance activities should be organized, the official records record the views of the Soviet representative on page 397, as follows:

"The Soviet Union delegation considered that the present machinery of the United Nations and the specialized agencies was already sufficiently complex, and that existing organs for international cooperation could furnish the United Nations with all the technical information required. With regard to the advantages of a single fund to finance the technical assistance program, he believed that that question had not yet been sufficiently studied. On the whole, he inclined to the view that each of the specialized agencies should continue to provide what assistance it could within the limits imposed by its terms of reference and budget. Ample scope would still be left to the Council, which had been entrusted by the General Assembly with overall responsibility for the programme."

Following the general debate, the technical-assistance item was referred to the Economic Committee of the Council. When the draft plan came back again to the plenary body, the Soviet representative expressed himself three more times along the lines indicated above: on August 14 (pp. 859-860); on August 15 (pp. 903-904); and again at a second meeting on August 15 (p. 912).

It is thus clear that the Soviet Union, at the very beginning of and throughout the discussion, was opposed to the fundamental concept of the expanded program. This is a conclusion wholly at variance with what is suggested in the documentation supplied to this committee.

## *2. Soviet bloc favored technical assistance in the field of industrialization*

The Soviet bloc, although strongly opposed to a centrally administered technical assistance program in general, nevertheless pressed heavily for technical assistance in the industrial field, to be administered by the United Nations. As the Polish delegation put it, the economic development of underdeveloped countries should be "for the purpose of developing their national industries including the development of heavy industry, metallurgy, machine tools, chemicals, the construction of powerplants, etc." (Official Records; Annex, p. 119; Document E/1542.) The industrial area was the field which the United Nations itself would undertake. When the Soviet Union first offered a contribution to the technical assistance program in 1953, they sought to have their contribution go only to the United Nations, and none of it to the specialized agencies. The Soviet Union and its satellites have thus consistently favored separate contributions to separate agencies in order that they themselves may make their whole contribution to those segments of technical assistance which would, from a propaganda standpoint, be most likely to appeal to the underdeveloped countries with their primarily agricultural economies.

## *3. Soviets later favored strong governmental control in U. N.*

As soon as it became evident that, contrary to the original Soviet position, the new plan was to be based upon a central fund, with both a Technical Assistance Board (made up of officials of the agencies involved), and a Technical Assistance Committee (made up of government representatives), the Soviets introduced amendments to strengthen the Technical Assistance Committee in relation to the Technical Assistance Board. The purpose of this seems obvious: To provide for themselves a place in the continuing, and even day-to-day administration of the program, even with respect to programs of specialized agencies of which they were not members. Soviet amendments to accomplish this purpose were rejected, and I want to emphasize that the United States was included in those voting against.

## *4. Soviet position was thus one of extremes*

The Soviet position on the organization of the new program was thus one of extremes. Although they opposed the new program and the central fund to begin with, they later switched over to become extreme centralists. At each stage, they were opposed by the United States, which held to a consistently middle-of-the-road position.

I should like to submit for the record at this point a series of excerpts from the official records of the ninth session of the Economic and Social Council, which illustrate the attitude of the Soviet countries toward this program in 1949.



## III. CONTENTION THAT CERTAIN ELEMENTS IN THE U. N. INFLUENCED THE UNITED STATES POSITION

The next point with which I should like to deal is the charge that the United States policy in favor of a technical-assistance program based on a central fund was influenced by the activities of certain individuals in the United Nations, including David Weintraub. In answer to this contention, I should like to advance the following considerations. In this connection I should like to point out that very naturally many different people held many different views as to the way in which the new technical-assistance program might be organized within the system of United Nations agencies—in New York, in Washington, and elsewhere.

*1. Views in the international agencies*

Since the Charter had given to the U. N. overall coordinating responsibilities, including relations with the specialized agencies, U. N. officials were naturally concerned with their responsibilities when discussions of the new program began. It was their constitutional duty to devise ways and means of maintaining a proper balance in the new movement for economic development. It was wholly desirable, therefore, that plans emphasizing an effective coordinating role for the U. N. should have been prepared by U. N. officials. It was perhaps to be expected that many officials of the specialized agencies should take a different view, and that their planning sometimes emphasized the autonomy of the specialized agencies.

*2. Views in the United States Government*

To the extent that there was pulling and hauling in the executive branch over this issue, it was natural that some persons in some of the United States Federal departments concerned with specialized fields should have tended to view economic development from the standpoint of their own specialties. It was equally natural that the State Department, with responsibilities for foreign policy as a whole, should have tended to favor technical-assistance activities being carried on within the framework of a single, coordinated program. Very much the same problem has arisen from time to time within the United States Government, in the organization of our own bilateral aid program.

*3. A single official could not have dictated the U. N. plan*

In any case, so far as the U. N. is concerned, it is unreasonable to suppose that a single official, of intermediate rank, could have led the U. N. as an institution to his way of thinking if the top officials of the U. N. had not themselves agreed with him. Even after the report of the Administrative Committee on Coordination was finalized in May 1949—with its strong reflection of specialized agency thinking—the Secretary General of the United Nations stated his own view in favor of a single-fund technical-assistance program. Mr. Trygve Lie had very definite ideas of his own on matters affecting the U. N. He had personally presided over the meetings of the Administrative Committee on Coordination, where this subject had been thoroughly discussed by his colleagues, the Directors General of the specialized agencies. It is difficult to believe that the views of a subordinate, 2 or 3 levels down, could at this stage have talked Mr. Lie into something other than Mr. Lie himself believed.

*4. A single individual in the U. N. could not have determined United States Government policy*

It is equally impossible to suppose that a single U. N. official could have significantly altered the views in the United States Government to a position different from what they would otherwise have been. Too many people were involved. In the State Department, perhaps 20 officials were actively concerned with the development of the new arrangements. From other departments, there were many more. A specially created interdepartmental committee, the Advisory Committee on Technical Assistance, met regularly to consider issues arising with respect to both the bilateral and multilateral programs. Another interdepartmental committee, the Executive Committee on Economic Foreign Policy, with its subcommittee, the United Nations Economic Subcommittee, had jurisdiction over the preparation of position papers to serve as instructions to United States delegations to meetings of U. N. bodies. In both these committees, all interested United States Federal departments and agencies were represented. A middle-level official of the United Nations could not singlehandedly have altered the massive consensus that eventually constituted the United States position.

### 5. *Frequency of consultations between United States Government and International agencies*

The documentation supplied by the farm organizations refers at several points to consultations early in 1949 between U. N. and United States officials. If we could fully reconstruct the record, it would show a great many such consultations. They were carried on then; they are carried on today—not only with the U. N. but also between United States Federal departments like the Department of Agriculture, and specialized agencies like the FAC. Such consultations are necessary and they are encouraged. In 1949, given the importance and impact of President Truman's proposals, it would strain credulity to believe that there would not have been immediate and frequent contact between Washington and New York, as well as between Washington and the headquarters of the specialized agencies.

### 6. *No change in United States Policy since 1953*

David Weintraub, who is specifically mentioned in the documentation, resigned from the United Nations in 1953; but the views of the United States Government toward the expanded program have not substantially altered since that date. Furthermore, since that date a new administration has searchingly examined the workings of the expanded program. In 1954, for example, the United States supported a modified version of a French proposal, to do away with the percentage allocation of funds to the specialized agencies and to depend instead upon the needs and wishes of recipient countries for programs in various subject-matter areas. This development in 1954 provoked a considerable amount of discussion within the executive branch. The three farm organizations which have filed papers with your committee protested strenuously; they entered into extended consultations with State Department officials upon this subject. Before the General Assembly session in the fall of 1954, the United States position to vote the approval of the new plan required a decision at the highest level of the Government. In October 1954, the matter was brought to the Cabinet upon the basis of a carefully prepared paper; and this paper was circulated in advance to the members of the Cabinet. After discussion in the Cabinet, the United States position was decided for the executive branch by the President.

### 7. *Soviet views were at variance with those advanced by the U. N.*

The farm group documentation suggests that the views of certain U. N. officials who are pictured as having been unduly influential in Washington, were themselves heavily influenced by the views of the Soviet Union. But, as we have seen, Soviet views on the basic organization of the program were wholly at variance with the views that these U. N. officials were advocating. In view of this simple fact, the argument made in the documentation falls to the ground.

## IV. CONTENTION THAT UNITED STATES POSITIONS WERE FORMULATED IN THE STATE DEPARTMENT WITHOUT ADEQUATE CONSULTATION WITH OTHER INTERESTED FEDERAL DEPARTMENTS

I should now like to deal with the contention that United States positions in 1949 concerning the origins of the technical-assistance program were State Department positions and not adequately checked with the other agencies of this Government.

### 1. *The United States interdepartmental consultative system*

It is a well-established practice in the State Department, and of the Bureau of International Organization Affairs (for which I am now responsible), that positions put forward in meetings of the U. N. or in any one of the specialized agencies must be, so far as possible, fully representative of the views of the Government as a whole. Full consultation with all interested Federal departments and agencies is constantly carried on to effect a genuine and government-wide consensus. This was true in 1949, and it has been true continuously since the inception of the U. N. system.

This consultative process is conducted informally by telephone and ad hoc meetings; and formally by a regular system of interdepartmental committees. Basic to the committee system is the advance circulation of numbered documents, so that each department is informed of what is coming up at meetings and has opportunity to express its views.

I might add that it is curious to note that criticism on this score comes from the farm organizations, who cannot so soon have forgotten the unusual lengths to which our staff went, in the fall of 1954, to agree upon specific language with

the farm organizations before our final instructions went to the United States delegation to the General Assembly, in New York.

*2. United States positions on technical assistance in 1949 were fully checked with other departments*

At the two sessions of the Economic and Social Council in 1949, the United States positions on technical assistance grew directly out of the interdepartmental consultative process which has just been described. The regular mechanism for the clearance of position papers for United States delegations to international meetings was a subcommittee of the Executive Committee on Economic Foreign Policy. Specially created for the consideration of technical-assistance problems, after the President's speech of January 20, 1949, was the Advisory Committee on Technical Assistance, which concerned itself with technical-assistance problems of both an operational and an administrative nature in both the bilateral and multilateral areas. These two committees had as their members all interested departments and agencies.

As was to be expected, in the spring of 1949, following the President's proposals, discussions in Washington were active and voluminous; and both the above-mentioned committees were much concerned with the emerging technical-assistance problems. The farm group documentation states that the United States FAO Interagency Committee was not brought in on this problem. However, the Department of Agriculture, along with other interested departments, was a member of both the committees mentioned above; and the views of all interested agencies (though they sometimes differed) were constantly exposed, through the consultative process, to the views of other agencies. It is difficult to conceive of means by which the establishment of a United States position could have been more equitably and conscientiously carried out. The United States representative to the eighth and ninth sessions of the Economic and Social Council received and carried out instructions which fully and fairly reflected the consensus of the United States Government.

V. THE EXPANDED PROGRAM HAS RECEIVED WIDE SUPPORT BOTH IN THE UNITED STATES AND INTERNATIONALLY

I would like to suggest that it would be helpful for the committee to view this whole problem in a somewhat broader perspective. It is very significant to note that the expanded program has received very wide support both at home and abroad.

*1. Executive branch*

I have already stated that United States participation in the expanded program has been subjected to searching scrutiny in the executive branch—not only in the State Department but also in the Bureau of the Budget, the International Cooperation Administration, and other departments and agencies. I have also stated that in 1954 a particular question involving the so-called centralization issue was decided by the President after all interested departments had had an opportunity to be heard.

*2. The Congress*

The Congress, too, examines the expanded program regularly and conscientiously each year when request is made for funds for the annual United States contribution. The Senate Foreign Relations Committee and the House Foreign Affairs Committee hold hearings and make recommendations on authorizing legislation. The Appropriations Committees of both Houses also examine the record annually. From this process has come a regular appropriation of funds.

All congressional committees have regularly expressed concern over the possibility of overlap and duplication with our own United States bilateral program. Coordination with our bilateral program, which is, of course, highly centralized, demands an effective coordination mechanism in the United Nations program. There is no doubt but that congressional committees, have on the whole, very much favored a vigorous coordination mechanism in the U. N. program.

The Senate Foreign Relations Committee established in 1954 a Subcommittee on Technical Assistance Programs which held exhaustive hearings on both bilateral and multilateral activities. At these hearings, the farm groups and other private organizations testified. The report of the subcommittee was issued by the Senate Foreign Relations Committee on May 7, 1956. This report stated that the "United States should continue its support of the United Nations expanded technical assistance program." It is significant to our discussion this afternoon



that the subcommittee also took the position that the trend toward centralization "has had a salutary effect in administration of the U. N. program." The subcommittee recommended that "United States representatives in the various U. N. agencies concerned support further moves in this direction."

I should like to submit for the record a series of excerpts from the studies and reports of this subcommittee, concerning the expanded program.

These views, which have been reflected in the reports of various congressional committees, obviously deserve careful consideration. Certainly those who advocate further decentralization would do well to consider their merits and the sources from which they come. We in the executive branch are doing our utmost to see that the present machinery operates with a maximum of efficiency, so that these legitimate demands for coordination are met without in any way jeopardizing the autonomy or the efficiency of the specialized agencies.

### 3. *Private organizations*

The expanded program has received very careful attention from many private organizations in the United States. The great majority of these organizations have found the program to be an extremely important part of U. N. activity, which deserves strong United States support. A few organizations have been relatively silent with respect to this program. So far as I am aware, only the three farm organizations have opposed it.

### 4. *Specialized agencies*

So far as the U. N. and the specialized agencies are concerned, the strains and stresses of a few years ago have been very largely eliminated. The most recent information from Geneva emphasizes the point.

Less than 3 weeks ago, the United States representative at the Technical Assistance Committee asked the representatives of the specialized agencies whether or not they felt that any fundamental change was required in the organization of the United Nations technical assistance program. The specialized agencies unanimously replied in the negative. I regard the answer of the FAO as especially significant. I would like to quote one paragraph from this statement and submit the whole statement for the record.

"We in FAO are satisfied, however, that the present procedure for the operation of the program can adequately safeguard the various principles which I have mentioned and we feel that it would be most undesirable to undertake at this stage a fundamental change in the present setup."

We fully subscribe to this statement. The FAO representative does not close the door to changes indefinitely; neither, of course, do we. He sees the possibility of procedural improvements at all times; and so do we. But he says plainly that his organization is opposed to fundamental changes at this stage in the present organization of the program. This, too, we endorse 100 percent.

I think this demonstrates clearly, Mr. Chairman, that the specialized agencies who have day-to-day responsibility for the administration of this program, are satisfied with it; and that they do not want it either fundamentally changed or abolished.

On this aspect of the question raised by the farm organizations, I should like to introduce for the record a statement which I made on June 25, 1956, before the Subcommittee on International Organizations and Movements of the House Foreign Affairs Committee. The statement is pertinent to our topic, and I would appreciate it if you would permit it to appear as part of my testimony.

## VI. CONCLUSIONS

In conclusion, Mr. Chairman, I hope I have succeeded in showing that the four contentions arising out of the documentation submitted by the farm groups are quite without foundation.

First, there can be no doubt that the expanded program, today one of the most significant activities of the United Nations and the participating specialized agencies, is completely consistent with the provisions of the U. N. Charter and the constitutions of the specialized agencies.

Second, the Soviet Union, whose undue influence has been alleged, was actually opposed to the expanded program when it was first proposed. Since that time, the Soviet Union has given the program only meager support, and has been quite unable to influence its major policies in any significant respect.

Third, no individual in the United Nations secretariat brought undue or improper influence to bear upon the formulation of United States policy with re-

spect to this program. The United States decision was taken purely on the merits of the case.

Fourth, United States policy with respect to this program, in 1949 and subsequently, has always been based on governmentwide positions, adopted with a view to bringing the best consensus of the whole Government to bear in whatever international meeting they have been prepared for.

I have also endeavored to make a fifth point. The expanded program has been carefully observed and examined by a great many people in the executive branch, in the Congress, and outside the Government. The overwhelming majority of these persons have concluded that the program is fundamentally sound and that its full support is very much in the interest of the United States. And to this must also be added the testimony of the specialized agencies themselves, the operators of the program, which have within the month unanimously expressed themselves as favoring its present type of organization.

This concludes my formal statement, Mr. Chairman. I shall be glad to go more fully into any aspects of the matter which you may wish to explore.

Mr. MORRIS. Now, there is one other thing. I know the hour is getting late.

Senator JENNER. Yes, we want to conclude as soon as possible.

Mr. MORRIS. We have here Mr. Jonathan Mitchell, who has spent some time going through Morgenthau Diaries. We have taken out many items from the Morgenthau Diaries, particularly as they relate to Mr. Coe. I would like to offer them now, Senator, for the record.

Senator JENNER. Will you be sworn?

Do you swear the testimony you will give before this committee will be the truth, the whole truth, and nothing but the truth?

Mr. MITCHELL. I do.

Mr. MORRIS. We had Mr. Coe in executive session on this subject. I wonder if a good proposal might be for us to offer these for the record and let Mr. Coe have them in their entirety again. He spent yesterday going through them.

Mr. COE. I didn't go through all of them.

Mr. MORRIS. I wonder if Mr. Mitchell may put them into the record and after they have been put into the record, the record may be available to Mr. Coe and he may have some comment to add to them at that time.

Mr. COE. Before they go into the record, in view of the fact that now there is going into the record documents presumably relating to me in some way and we have a preceding record which will be submitted with documents which, as far as I can tell, can refer to me in no way, but which could be designed to smear, for instance, Adlai Stevenson, I wonder if at this time, the record can show that questioning of Mr. Coe was now resumed—something to indicate that the foregoing has nothing to do with me.

Mr. MORRIS. I made it clear that the foregoing had nothing to do with Mr. Coe.

Senator JENNER. I think the record speaks for itself.

Mr. MORRIS. Do you want these done now individually, or may we not put them all into the record?

Senator JENNER. We can put them all into the record.

Mr. MITCHELL. These documents are from the diaries kept by Henry Morgenthau, Jr., at the time he was Secretary of the Treasury. They consist of transcripts of meetings held in his office, transcripts of telephone conversations, memoranda supplied to him, letters, and other matters which he considered of a significant character. These are bound in 864 volumes, and I suggest that we identify them by the book number and the page number.

Shall I just read off the book numbers and the page numbers?

Mr. MORRIS. Why not just put them into the record in their entirety.

Mr. MITCHELL. These are 13 documents taken from volumes in the 800's.

Senator JENNER. They will all go into the record and become a part of the official record of this committee.

Mr. COE. I am afraid that I didn't make it sufficiently clear to the Chair that insofar as these documents relate to any activities of mine, I shall indeed want the opportunity of discussing the documents and those activities as fully as my recollection will permit, and to defend every official action which I took, which will mean explaining, so far as I now recall, why and how I did whatever it is I did.

Senator JENNER. Anything further?

Mr. MORRIS. I think that is all, Senator.

Senator JENNER. The committee will stand in recess.

Mr. COE. Pardon me, will I have a chance to comment on these documents and explain and just file my activities this afternoon?

Senator JENNER. The record will not be made up by this afternoon.

Mr. MORRIS. There will be more than 13, I think Mr. Mitchell has 13 specific ones in mind but there are at least a hundred bearing on your alleged activity. I think we should put all of those as soon as possible into the record and as soon as they are in galley form, we will send them to you.

Mr. COE. Ordinarily, I would certainly want time. I think everybody likes a little opportunity to know what he is testifying about in advance.

Senator JENNER. Yes; you didn't have enough time when you had them yesterday.

Mr. COE. I said so now, but rather than have my innocence of wrongdoing in suspense, let us say, for even a few hours or minutes while I testify, I will be perfectly willing to have each document submitted to me and testify ad hoc and expeditiously.

Senator JENNER. Of course, the documents are voluminous. They are all now in the record. The record will be made available to you.

Mr. FRIEDMAN. By arrangement with Judge Morris, I had Mr. Coe come here yesterday to examine the documents about which he was to be questioned. He did spend yesterday here, and he examined the documents submitted to him, which were 9 in number, 9 of these 13. In executive session he was questioned and testified at some length about the documents presented to him there. He is ready to do so here. He wants to testify about them, and that is presumably what he is here for.

Mr. MORRIS. In the first place, you have said you didn't have enough time. In addition to that, we are going to present more than 13 of them now, so I think you would want to wait until the whole of them is presented.

Mr. COE. I prefer to comment as I did in executive sessions on the ones I have had opportunity on and speak very rapidly and helpfully to the committee on all the documents relating to me.

Senator JENNER. I don't see how we can conclude. It is now 1 o'clock. The documents are all in the record. I think the only practicable way to do it is to put all the documents into the record, making



the record available to Mr. Coe and at some later date make them available to Mr. Coe.

Mr. COE. Before they are published?

Senator JENNER. Oh, yes.

Mr. COE. So that I will have a chance to talk about them.

(Following is the statement submitted to the subcommittee at an executive session prior to the public session:)

#### COE STATEMENT

This subcommittee has announced that it is continuing to investigate the late Harry White, myself, and others. I want the record to contain the following:

1. This is no investigation; it is an attempt to keep alive the stale and discredited charges of Elizabeth Bentley. The FBI has been investigating White and his associates for 15 years at least, grand juries for 9 years, and congressional committees—about 20—have been so occupied for 8 years. This particular subcommittee has devoted 6 years to the matter. In every election year since 1948 these “investigations” have become feverish.

2. But none of the eighty-odd persons investigated following their being named as spies by Elizabeth Bentley has ever been convicted or tried or indicted for espionage.

3. Why? Because the charges are false, and known to this subcommittee to be false. I wish to drop the protection of the fifth amendment and to state for the record:

I was never a spy.

I am convinced that Harry White was not a spy, and that any notion to the contrary is unthinkable.

I am also convinced that none of the other persons named by Bentley were spies.

4. Brownell, Hoover, and Jenner as chairman of this subcommittee, betrayed their offices when they announced that White and myself were spies. That was in 1953. How dared they brand us criminals when we have never been convicted of crime? How could they even presume to know the truth of what they said? We had never received a trial of any sort. Yet these men who occupied three of the highest legal positions in our Government staged a hearing at which they “convicted” me, as well as numerous other people, of a heinous crime. Brownell, our chief law-enforcement officer, thus showed his complete contempt for the laws of the land. No other Attorney General in our history has been so arrogant.

5. The American people understand that these spy shows have a political purpose. Our people know that there are laws and courts to deal with spies. congressional committees stage spy hunts when there are no facts which can be presented to a court. The low prestige of Senator McCarthy is clear evidence that the public is suspicious of Congressmen who try to exploit this subject without basis. Perhaps, this subcommittee has thought that its spy shows were useful in waging the cold war. But surely the committee knows that the cold war is collapsing and that policies will have to be found to insure peaceful survival.

6. This subcommittee should retract its false charges against White, myself, and others. That would be simple decency. It would not repair the damage already done, but it would help to restore confidence in our public officials.

Senator JENNER. We stand in recess.

(Whereupon at 1 o'clock p. m. the committee was adjourned.)

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NOTE.—The Senate Internal Security Subcommittee attaches no significance to the mere fact of the appearance of the names of an individual or an organization in this index.

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